

MOQHAKA LOCAL MUNICIPALITY



DRAFT ANNUAL REPORT 2017/18

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR’S FOREWORD

Moqhaka local municipality has a vision that strives to be a municipality that creates an enabling environment for socio economic growth and sustainable development. In our last year annual report, we said we want to build the municipality that has capacity to provide and ensure the provision of service to our communities are in a sustainable manner.

May I report that the progress is gradually bearing fruit for the past twelve months the services to our communities has been provided all round. We can proudly say that much progress has been achieved. Whereas we proudly say we have achieved the minimum standard prescribed by the constitution and the wish of our people we still cannot say we have achieved until our people say so. So we are continuously re-engineering our system, process and planning.

The further challenges that will continue to be experienced is the revival of our economic situation as it thus inhibits the growth we want to see in creating a financially viable municipality that focuses on new developments. Our aging infrastructure continues to be a challenge that must be addressed now and in the future. The municipality on its own it will not be able to deal with these challenges hence the cooperative governance it become crucial that we must plan together of our spatial development of our cities. In terms of the constitution it does require that municipalities must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community , and to promote the social and economic development of the community and participate in national and provincial development programmes and further municipalities in cooperative governance, the national and provincial governments by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and perform their functions.

This provision of the constitution is supported by the Act No. 16 of 2013 Spatial Planning and land Use Management Act, 2013 This act does provide a mechanism for spheres to ensure an integrated approach to land use and land development that is guided by the spatial planning and land use management systems as embodied in the act. And it does also allow for all government departments to provide their sector inputs and comply with any other prescribed requirements during the preparation or amendment of spatial development

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frameworks. This legislation requires the municipality to plan ahead of future development and this plan it requires the provincial and national government to participate in the local spatial development.

It is therefore critical for the municipality to compile the spatial development framework in time as this will contribute to the attraction of external investment in much needed the sites allocation.

As municipality we had to ensure we maintain and develop our city to become a city of choice.

In ensuring public participation we have done very well during the IDP review process and Budget consultation almost all the wards participated. We have also been able to consult with NGO and business people and farmers participated and we are happy that we have also learned and discovered that building relationship with many stakeholders it created a lot of interest and clarifying how does government works, most participant appreciated and very few has shown dissatisfaction in the time taken to conclude certain process where people have wished that certain administrative decision can just be quickly done.

One critical area of is of financial performance as I have indicated that our economic slowdown put a lot of stress to the income we are able to generate and more methods of raising our revenue base need to be explored and fine tune our spending pattern so as we continue to provide basic service.

I am humbled to present this annual report of 2017/18 covering the period from the 1July 2017 to 30 June 2018

May I conclude by thanking the Council, Speaker, Chief whip, Members of the mayoral committee, councillors municipal manager and director's municipal employees my staff and the people of Moqhaka

Executive Mayor
Hon, Cllr M.A.Koloi

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COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

For Local Government to ensure that residents get the basic services being their basic right as enshrined in the Constitution of South Africa, financial sustainability is key. This along with good governance form the core of effective Local Government which in turn creates a building block for society and a healthy, growing local economy in general.

In contradiction with other spheres of Government, Local Government's main source of income is its own revenue which means that adequate funding will never be available unless the municipality collects all, or as much as possible revenue owed to it. The budget and consequently the realisation of targets as set out in the IDP as well as the SDBIP are directly linked to the ability of the municipality to generate and collect this revenue therefore directly dependant on the payment rate of the community.

Optimising this requirement did not come without challenges which emanated into cash flow constraints, hence both the revenue and expenditure components of the municipality's finances received in depth consideration which required meticulous management of all expenditure, further also the development and honouring of the Eskom payment agreement. Both political and administrative structures of the municipality where involved in revenue enhancement encouraging the community to honour payment of municipal rates and taxes. This exercise proofed fruitful as evident from the municipality's average debt collection rate as at the end of June 2018 which was 92%, however outstanding debtors as at the end of June 2018 still amounted to R571m. One of the main constraints in improving revenue collection is the challenges experienced to collect rates & taxes from areas receiving Eskom electricity supply.

Despite the challenges faced the municipality ultimately has a responsibility in terms of compliance. It is with pride and a sense of achievement that I can report that Moqhaka Local Municipality has sustained its unqualified audit opinion. During October 2017 the municipality also received a Clean Administration award from CIGFARO as the most improved municipality and in addition the municipality is performing excellent on back to basics reporting being the leading municipality in the district. These highlight again emphasises the growing commitment and team work which is prerequisite for efficient and effective administration and service delivery. Creating conditions for decent living by consistently delivering municipal services to the right quality and standards has always been a main priority for the municipality.

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This steady progress from the initial disclaimer opinions to qualified in 2014/15 and ultimately unqualified in 2015/16 as well as 2016/17 came as a result of extreme dedication and teamwork from all leadership, management and employees. Weekly Audit Steering Committee meetings were conducted to comprehensively address issues as identified in the Audit Action Plan with the objective of further improving on future audit outcomes. This commitment is evident in the drastic reduction of unauthorised, irregular and fruitless expenditure (UIF) during 2017/2018 as disclosed in the AFS. Moqhaka Municipality demonstrated good governance and administration through hiring competent staff and also ensuring transparency and accountability.

The importance of the Integrated Development (IDP) in enabling the municipality to achieve its legislative mandate cannot be over accentuated. The IDP Process Plan aligned to the District IDP Framework to satisfy provisions of Section 27 of the MFMA was adopted on 28 September 2017. Public Participation was conducted during the month of November to solicit inputs from members of the Community and stakeholders in line with Chapter 4 of the Municipal Systems Act. The Draft IDP was adopted on the 4th of April 2018 and notice was given to the local community. The IDP includes municipal vision and mission, assessment of existing level of development, Council's development priorities and objectives, the status of Local Economic Development, Council Development strategies aligned to National and Provincial sector plans, draft Spatial Development Framework, Council's operational strategies, financial plan including budget projections, Disaster Management Plan and Key Performance Indicators as core components of the plan. The IDP is aligned to the NDP, Free State Development Strategy. The Draft Spatial Development Framework and Rural Development Plan are also incorporated in the IDP.

Focussing on infrastructure development and upgrading, the municipality again achieved 100% expenditure on all capital grants received which include MIG, DoE, EPWP and WSIG. The municipality was identified as one of the top performing municipalities Nationally and as a result received additional funding of R10m towards the allocated projects.

Capital projects completed include upgrading of internal road and providing storm water in Matlwangtlwang, upgrading of storm water system and channelling of vlei areas in Maokeng, upgrading of Loubserpark sport facility, refurbishment of Viljoenskroon water treatment works, water conservation and water demand management, the upgrading and refurbishment of the Seeisoville / Phomolong electricity network as well as the 2nd phase of the project for construction of the 66kV overhead line between Main and South substations.

All available resources were focused to efficiently address operational and routine maintenance requirements. Pothole patching, grading of gravel roads, pipe repairs, unblocking sewer lines, streetlight repairs and replacement of faulty water and electricity meters are amongst the emphasis areas in this regard. The

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municipality also commissioned the services of specialised service providers to assist in unblocking sewer lines in order to speed up reaction time considering the volume of blockages experienced as well as the risks associated with such.

Being in the aftermath of the extreme drought experienced during 2015/2016 water conservation measures remained of significant importance. Hence, although adequate rainfall was received during the rainy season of 2016/2017 to allow the transfer of raw water to the storage dams, the water conservation measures as previously implemented remained intact. Thankfully during the 2017/2018 financial year the situation improved sufficiently for the restrictions to be relaxed.

In our stride to achieve radical economic transformation, attracting investment is imperative, further also the development of small, medium and micro enterprises to create and sustain job opportunities within the area. In terms of future development the implementation of the LED strategy objectives will receive priority attention and the attraction of investment into Moqhaka will be given the precedence required.

Following the advertisement placed in media calling for proposals on property development several well prepared proposals were received, these included a mega project development, agricultural centre and retail shopping development. Further to the above and with regards to the proposed development of a shopping mall in Maokeng the developer informed Council that anchor tenants have signed up and that it is expected for building activities to commence early 2019. These efforts and noteworthy progress made accentuates the municipality's commitment towards its mandate of creating an enabling environment for economic growth and financial sustainability.

In closure I wish to emphasise Moqhaka Municipality's commitment towards putting the people and their concerns first and ensuring constant contact with communities through effective public participation platforms. Hence the communities are encouraged to actively participate at these platforms and provide the inputs so much needed for the municipality to effectively address their needs.

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I wish to express my sincere gratitude and recognition towards the Honourable Executive Mayor and all members of Council for the leadership and support received, and further towards the management team and all employees for their dedication and hard work throughout the year.

I thank you,

MS Mqwathi (SAIMFO)
MUNICIPAL MANAGER

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1.2 MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The area of jurisdiction of the Moqhaka Local Municipality is situated in the southern part of the Fezile Dabi District Municipality. The former Kroonstad, Steynsrus and Viljoenskroon Transitional Local Councils and sections of the Riemland, Kroonkop and Koepel Transitional Rural Councils are included in the Moqhaka Local Municipality.

The general tendency of migration from rural to urban areas is also occurring in the area, as is the case in the rest of the Free State Province. The majority of the rural population is active within the agricultural sector. Regarding the population distribution (see Table 1), the area is largely urbanized (78% urban and 22% rural). In comparison to the other municipalities within the Fezile Dabi District, it appears as if Moqhaka is significantly less urbanised. However, the large rural population of the concerned region is attributed to the fact that the population of the Vierfontein and Renovaal villages as well as the Vaal Reefs hostel complex and informal settlement (see Table 6) is included in the rural population of Moqhaka.

The Greater Kroonstad is the centre of a large agriculture community that plays an important role in the economy of the district. Industrial activities subsequently contribute significantly to the district's economy. The Department of Correctional Services and the School of Engineer's Military bases are situated in the town. Kroonstad has of late become a distinguished holiday destination due to the ultra-modern and popular holiday resort of Kroonpark, adjacent to the Vals River. The urban area is situated adjacent the N1 National Road and located adjacent one of the largest and most important four-way railway junctions in South Africa.

The Viljoenskroon/Rammulotsi urban area is located within an area of extreme agricultural significance. The urban area plays a significant role in providing residential opportunities to the adjacent Goldfields and mining activities in the North West Province. The provincial roads P15/1 and P15/2 from Kroonstad to Klerksdorp in the North West Province extend through the area from north to south. The Steynsrus/Matlwangtlwang urban area is situated approximately 45km east of Kroonstad, 92km west of Bethlehem. The major link road between Bethlehem and Kroonstad stretches adjacent to the urban area. The area is located in an area of agricultural significance and mainly provides services in this regard to the surrounding rural areas. More specialised services are rendered by Kroonstad as a large service centre in close proximity. The accessibility of the town, due to the main road and railway line, further influences growth in the area.

In addition to the existing formal urban areas, several residential areas and proclaimed town areas are situated in Moqhaka with reference to Renovaal, Vierfontein and the Vaal Reefs hostel complex and settlement.

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Renovaal was established during 1974 adjacent the Vaal River with the intention to provide residence in the proximity of the gold mining activities in the North West Province. The town was also later marketed as a leisure residential area with recreation potential adjacent the Renoster and Vaal Rivers. Development of the town is, however, extremely latent and only the proposed first phase of the town was established. According to Proclamation No. 167 of 1975, the concerned area represented by General Plan SG No. 459/1974, was proclaimed a township under the name Renovaal.

Figure 1: Map of Moqhaka



In addition to the existing formal urban areas, several residential areas and proclaimed town areas are situated in Moqhaka with reference to Renovaal, Vierfontein and the Vaal Reefs hostel complex and settlement. Renovaal was established during 1974 adjacent the Vaal River with the intention to provide residence in the proximity of the gold mining activities in the North West Province. The town was also later marketed as a leisure residential area with recreation potential adjacent the Renoster and Vaal Rivers. Development of the town is, however, extremely latent and only the proposed first phase of the town was established. According

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to Proclamation No. 167 of 1975, the concerned area represented by General Plan SG No. 459/1974, was proclaimed a township under the name Renovaal.

Vierfontein (referred to as “Vierfontein South”) is also a proclaimed town. The area was initially developed to provide residence for workers at the adjacent mine and electricity power station and was owned by Eskom. After mining activities ceased and the power station discontinued, a township establishment was done to formalize the existing town area during 1993. According to Proclamation No. 35 of 1995 (Provincial Gazette of 24 February 1995), the concerned area represented by General Plan SG No. 786/1993, was proclaimed a township under the name Vierfontein. The individual properties were sold and the majority of the inhabitants of Vierfontein are retired residents with a limited number of inhabitants that are employed in Viljoenskroon.

To the north of the town Vierfontein, a sectional title scheme was established that is referred to as “Vierfontein North”. As in the case of Vierfontein, this sectional title scheme also developed to provide residence for workers at the Vierfontein mine and power station, but most of the current inhabitants are also retired. The area was developed by the Dutch Reformed Church who was the initial property owner of the concerned farms. The concerned farms are currently the property of Vierfontein Developers Group Scheme who is also the current home owner’s association.

The Vaal Reefs hostel complex subsequently exists adjacent the Vaal River and in close proximity of Viljoenskroon. The hostels were developed by AngloGold who is the property owner of the concerned farms and provide residence to mine workers of the company. Although mining activities ceased on the Free State side of the Vaal River, the complex still exists and provides housing to approximately 9 000 residents. An informal settlement subsequently developed adjacent the Vaal Reefs hostels, consisting of approximately 720 residents.

Apart from the dominant role agriculture plays in the region, no other significant economic activity exists. The Moqhaka area, like the rest of the Fezile Dabi District, is not considered as a primary tourist destination, although the area is increasingly becoming a favourite weekend destination. The hunting and guesthouse industries displayed an exceedingly rapid growth the past few years. Recreation areas and facilities are predominantly confined to the urban areas. The Kroonpark recreation and holiday resort in Kroonstad attracts interest throughout the region.

The Vaal River borders Moqhaka to the west. The Vals and Renoster Rivers drain through the area towards the Vaal River. These rivers play a significant role in providing the raw water supply to Kroonstad, Steynsrus and Viljoenskroon respectively. The topography of the area is particularly homogeneous with no prominent

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features and the area is characterised by extremely moderate slopes. The western areas, in the vicinity of Viljoenskroon, are known for various shallow and non-perennial pans.

Table 1: Overview of Neighbourhoods within Moqhaka Municipality

Overview of Neighbourhoods within 'Name of Municipality'		
2017/18		
Settlement Type	Households	Population
Towns		
Kroonstad	4 535	12 149
N Viljoenskroon	620	7 470
Steynsrus	221	773
Sub-Total	5 376	20 392
Townships		
Maokeng	17 071	78 620
Rammulotsi	7 660	32 751
Matlwangtlwang	1 649	7 021
Brentpark	833	5 845
Sub-Total	27 213	124 237
Rural settlements	0	
Renovaal (359)	0	
Vierfontein (452)	0	
Sub-Total	0	0
Informal settlements	0	
Matlwangtlwang	205	7 021
	0	
Sub-Total	205	7 021
Total	32 794	144 629

DEMOGRAPHIC AND SOCIO-ECONOMIC PROFILE

The official statistics according to *Statistics South Africa's Census 2001, Community Survey 2007 and Census 2011* were used to provide an overview of the municipality's demographic and socio-economic profile.

Table 2: Socio Economic Status

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2013/14	19%	22%	26%	44%	10%	27%
2014/15	20%	23%	26%	48%	15%	37%
2015/16	21%	24%	26%	52%	0%	44%
2016/17	21%	24%	27%	54%	15%	44%
2017/18	21%	27%	27%	54%	15%	44%

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Table 3: Census Key Statistics

	2011	2001
People		
Total population	160,532	167,892
Young (0-14)	27%	28,1%
Working Age (15-64)	66,4%	66,4%
Elderly (65+)	6,5%	5,7%
Dependency ratio	50,5%	51%
Sex ratio	98,1	99,2
Population density	20 persons/km2	n/a
No schooling aged 20+	5,4%	10,9%
Higher education aged 20+	8,6%	6,5%
Matric aged 20+	27,8%	20%
Number of households	45,661	41,514
Average household size	3,2	3,7
Female headed households	40,9%	36,5%
Economy		
Unemployment rate	35,2%	39,9%
Youth unemployment rate	47,2%	54,6%
Living conditions		
Formal dwellings	88,7%	82,5%
Housing owned/paying off	56,1%	61,4%
Flush toilet connected to sewerage	85,6%	65,6%
Weekly refuse removal	84,9%	67,4%
Piped water inside dwelling	57,7%	28,4%
Electricity for lighting	93,3%	83,8%

The number of households and the number of poor households in the municipal area is shown in the graph below:

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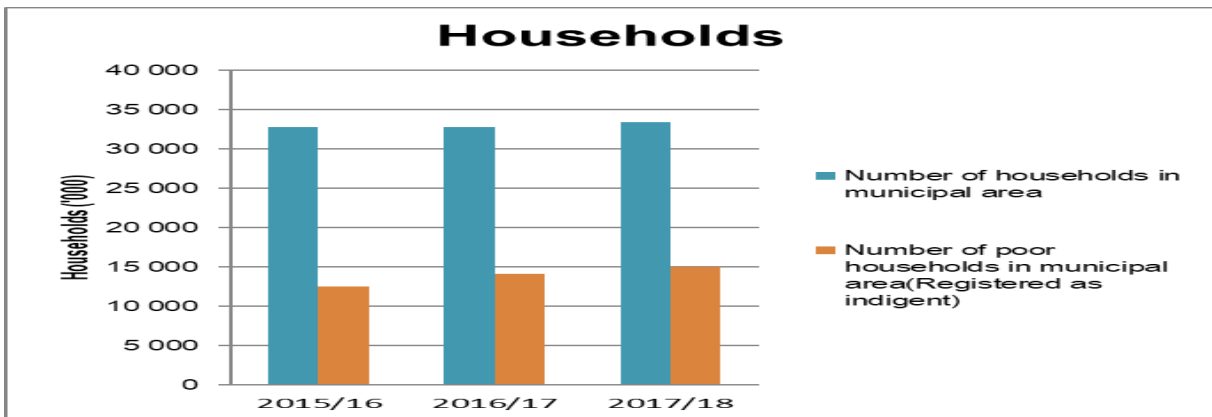


Figure 2: Households

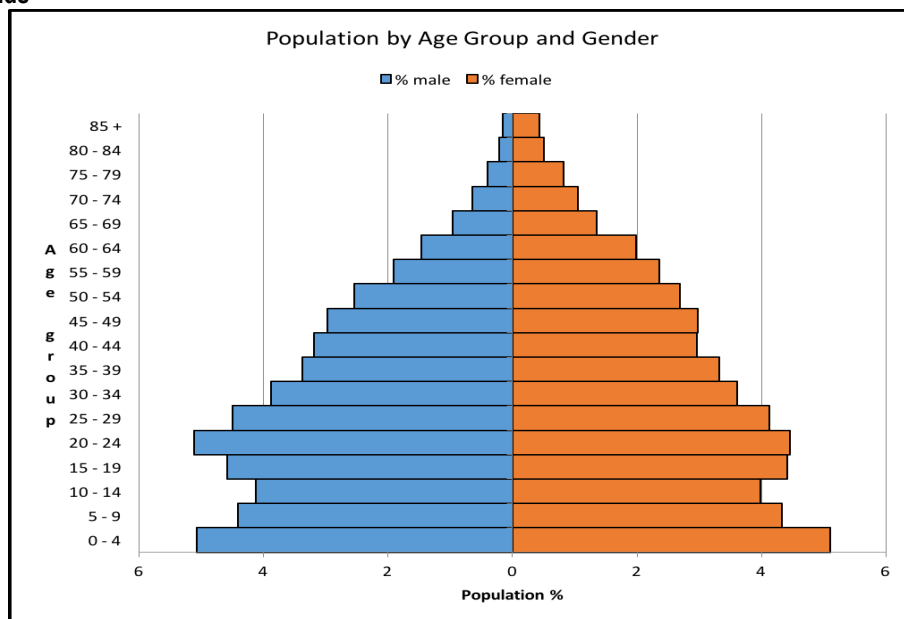


Figure 2: Population by Age and Gender

Table 4: Distribution of Population by Population Group

	Census 1996	Census 2001	Census 2011
Black African	142 711	144 793	139 970
White	21 010	18 198	14 968
Coloured	4 989	4 693	4 593
Indian or Asian	107	207	533

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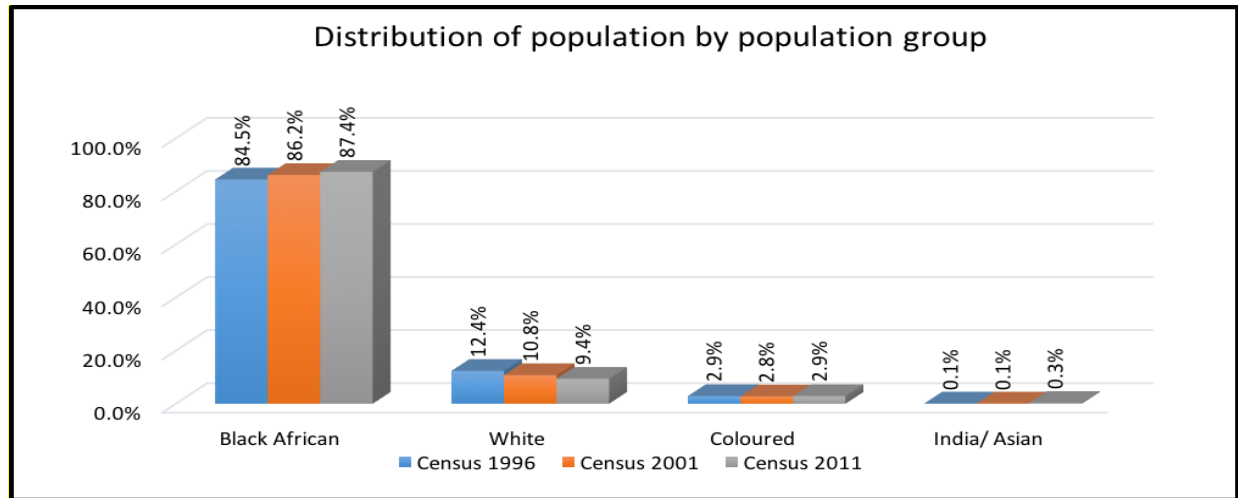


Figure 3: Distribution of Population by Population Group

Table 5: Distribution of population aged 20 years and older by level of education attained

	Census 1996	Census 2001	Census 2011
No schooling	14 017	10 512	5 025
Some primary	24 443	24 498	15 522
Completed primary	9 664	9 016	5 096
Some secondary	33 830	33 397	33 450
Grade 12/Std 10	12 023	19 325	25 883
Higher	6 207	6 242	8 022
Total	100 183	102 991	92 997

Table 6: Distribution of population aged 5-24 years by school attendance

	Census 1996	Census 2001	Census 2011
Attending	48 765	46 648	37 396
Not attending	16 654	18 690	15 182
Total	64 419	65 338	52 579

WARD PROFILES

The ward information shown in the tables below was received from Statistics South Africa and provides a breakdown of some of the 2011 Census data according to the 25 wards in Moqhaka.

Table 7: Distribution of Population and Population Group by Ward

FS201: MLM	Black African		Coloured		Indian or Asian		White		Other		Grand Total
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Total	69 356	70 613	2 257	2 336	353	180	7 181	7 787	330	138	160 532
Ward 1	3 499	4 260	6	10	1	1	4	8	5	-	7 794
Ward 2	3 446	2 961	81	89	31	24	746	786	10	5	8 179

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FS201: MLM	Black African		Coloured		Indian or Asian		White		Other		Grand Total
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Ward 3	3 321	1 733	213	177	14	12	1 376	1 529	8	4	8 387
Ward 4	3 006	3 456	64	47	-	1	13	10	2	-	6 599
Ward 5	3 290	3 716	9	9	6	-	1	1	12	7	7 050
Ward 6	1 358	1 488	27	29	4	2	20	25	9	2	2 963
Ward 7	3 506	4 135	15	13	4	-	66	76	7	8	7 828
Ward 8	2 226	2 786	22	15	7	-	-	-	2	-	5 058
Ward 9	3 755	3 944	53	66	14	7	31	26	5	3	7 904
Ward 10	2 453	2 837	14	17	6	3	14	58	5	1	5 407
Ward 11	2 175	2 431	11	18	5	-	3	3	2	4	4 654
Ward 12	2 044	2 383	6	6	8	5	3	1	12	2	4 470
Ward 13	2 452	3 011	1 196	1 341	14	1	16	16	11	14	8 073
Ward 14	1 976	2 373	10	15	-	-	1	1	5	-	4 382
Ward 15	2 723	3 051	23	26	2	3	2	1	11	2	5 845
Ward 16	1 814	1 914	118	115	77	44	1 231	1 467	73	22	6 875
Ward 17	597	575	94	104	54	60	1 804	1 943	23	21	5 274
Ward 18	3 326	3 948	24	23	2	-	1	1	10	13	7 349
Ward 19	3 177	3 555	22	29	8	1	1	1	19	2	6 815
Ward 20	3 526	4 058	29	31	21	-	3	4	10	-	7 683
Ward 21	3 097	3 514	16	14	26	-	-	2	22	6	6 697
Ward 22	3 465	3 470	30	22	7	2	223	186	14	4	7 424
Ward 23	1 634	1 401	15	8	-	-	524	550	-	1	4 132
Ward 24	4 804	985	86	50	26	7	146	107	7	2	6 220
Ward 25	2 687	2 630	76	62	18	5	948	983	47	14	7 470

Table 8: Energy for Cooking per Ward

FS201: MLM	None	Electricity	Gas	Paraffin	Wood	Coal	Animal dung	Solar	Total
Total	110	140 403	4 140	6 099	7 202	271	547	289	159 061
Ward 1	-	6 709	70	569	166	34	181	6	7 735
Ward 2	9	5 247	269	141	2 006	59	323	1	8 055
Ward 3	1	7 862	274	3	197	-	-	9	8 347
Ward 4	11	6 198	75	210	50	11	12	3	6 569
Ward 5	5	6 720	58	169	13	3	7	-	6 974
Ward 6	6	2 817	59	51	4	9	-	5	2 953
Ward 7	1	7 195	88	197	290	-	-	22	7 794
Ward 8	7	4 821	72	76	17	2	-	6	5 001
Ward 9	4	6 756	101	883	100	15	-	1	7 861
Ward 10	1	5 238	43	40	5	26	-	13	5 365
Ward 11	-	4 432	43	97	9	15	2	15	4 614
Ward 12	8	4 218	42	92	3	24	9	26	4 422
Ward 13	2	7 854	54	76	15	15	-	11	8 027
Ward 14	-	4 292	36	33	4	2	-	2	4 370
Ward 15	8	5 414	120	264	12	1	-	6	5 825
Ward 16	5	5 965	395	268	5	2	-	3	6 644
Ward 17	11	4 788	401	7	27	-	-	17	5 251
Ward 18	1	7 033	61	202	18	-	-	9	7 323
Ward 19	3	6 453	60	175	11	6	-	24	6 733

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FS201: MLM	None	Electricity	Gas	Paraffin	Wood	Coal	Animal dung	Solar	Total
Ward 20	5	6 245	72	1 050	215	-	2	33	7 623
Ward 21	1	5 968	87	426	108	8	7	17	6 622
Ward 22	3	6 393	117	403	376	22	-	19	7 333
Ward 23	13	3 204	140	152	561	8	-	8	4 086
Ward 24	-	2 821	1 126	121	2 130	-	-	6	6 204
Ward 25	2	5 758	277	395	861	9	4	27	7 332

Table 9: Toilet Facilities per Ward

FS201: MLM	None	Flush toilet (connected to sewerage system)	Flush toilet (with septic tank)	Bucket toilet	Other	Total
Total	2 752	136 052	2 347	2 746	2 096	145 994
Ward 1	329	4 965	25	144	72	5 534
Ward 2	658	2 229	685	217	159	3 949
Ward 3	51	8 208	24	8	7	8 298
Ward 4	18	6 003	186	75	83	6 366
Ward 5	9	6 927	22	3	2	6 964
Ward 6	18	2 918	2	-	11	2 949
Ward 7	55	6 999	92	147	76	7 368
Ward 8	10	4 970	21	-	-	5 001
Ward 9	420	6 887	51	101	82	7 541
Ward 10	21	5 318	5	7	5	5 357
Ward 11	-	4 586	6	-	14	4 606
Ward 12	21	4 374	9	-	8	4 412
Ward 13	67	7 830	5	3	121	8 027
Ward 14	24	4 308	18	8	-	4 358
Ward 15	-	5 768	35	-	7	5 810
Ward 16	65	6 542	9	9	16	6 640
Ward 17	10	4 955	92	1	19	5 077
Ward 18	3	7 190	112	-	11	7 317
Ward 19	7	6 584	39	18	45	6 692
Ward 20	52	6 466	47	878	109	7 551
Ward 21	15	6 061	16	375	91	6 557
Ward 22	340	5 013	356	300	217	6 226
Ward 23	247	1 093	198	210	277	2 025

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FS201: MLM	None	Flush toilet (connected to sewerage system)	Flush toilet (with septic tank)	Bucket toilet	Other	Total
Ward 24	138	5 140	114	12	286	5 690
Ward 25	175	4 718	180	231	378	5 682

Table 10: Source of Water per Ward

FS201: MLM	Regional/local water scheme (operated by municipality or other water services provider)	Borehole	Spring	Rain water tank	Dam/ pool/ stagnant water	River/ stream	Water vendor	Water tanker	Total
Total	134 641	18 988	199	329	318	156	549	2 716	157 895
Ward 1	7 613	8	-	4	-	-	32	33	7 690
Ward 2	1 606	5 485	31	39	124	14	140	333	7 771
Ward 3	8 013	297	7	-	-	-	19	3	8 339
Ward 4	6 394	38	2	9	-	5	10	69	6 527
Ward 5	6 842	65	-	3	-	-	40	20	6 969
Ward 6	2 902	6	-	3	-	-	3	32	2 946
Ward 7	6 971	485	7	6	4	1	3	286	7 762
Ward 8	4 975	2	-	-	-	-	2	3	4 983
Ward 9	7 595	15	1	8	16	-	8	20	7 664
Ward 10	5 348	-	-	12	-	-	-	-	5 360
Ward 11	4 528	21	-	24	-	4	6	9	4 591
Ward 12	4 358	11	5	12	-	-	2	8	4 396
Ward 13	7 806	16	4	8	-	1	66	19	7 920
Ward 14	4 343	4	-	-	-	-	11	9	4 367
Ward 15	5 760	23	7	3	-	-	1	19	5 814
Ward 16	6 523	11	-	-	1	3	20	10	6 568
Ward 17	4 880	206	-	7	39	83	17	6	5 237
Ward 18	7 249	11	-	11	-	-	9	7	7 287
Ward 19	6 582	13	-	8	7	-	1	96	6 707
Ward 20	7 197	16	92	4	-	-	53	208	7 571
Ward 21	6 560	8	-	1	9	-	12	31	6 621
Ward 22	5 153	1 252	11	26	34	20	14	742	7 252
Ward 23	987	2 652	16	87	41	14	12	235	4 045
Ward 24	23	5 977	12	-	12	1	-	177	6 202
Ward 25	4 433	2 365	4	54	33	8	67	341	7 305

1.3 SERVICE DELIVERY OVERVIEW

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1.3 SERVICE DELIVERY OVERVIEW

The Moqhaka Local Municipality (MLM) as a Service Authority within its area of jurisdiction has a Legislative Mandate to provide services in a sustainable, safe and healthy manner. The Municipality is also responsible for the operation, maintenance and upgrading of infrastructure, which include electricity, water, sewer, roads and storm water, and landfill sites.

The municipality is doing well in terms of access to water and electricity as well as access to sanitation and refuse removal. Access to basic housing remains a challenge as this function is still performed by the Provincial Department of Human Settlements. However, some strides have been made in this regard during the 2017/18 financial year as the Municipality embarked on a process to apply for Level 1 accreditation from the Department of Human Settlement. Once this application has been approved, the Municipality will carry out responsibilities such as beneficiary management, subsidy budget planning and allocation, and priority programme management and administration. The Level one accreditation will empower the Municipality to play a more active role in addressing the backlogs related to access to basic housing.

Moqhaka Municipality has experienced a spike in the demand for housing in recent years. The provision of additional houses would imply the need to upgrade and expand bulk infrastructure to accommodate additional developments. Hence it is envisaged that there will be an increase in capital infrastructure expenditure for the provision of bulk infrastructure and servicing of new stands over the next three financial years. A budget allocation of R1.5million has been set aside from the Municipality's own funding for the 2017/18 financial year in order to provide services to 20 erven in Tuinhof. An additional R3.29 million internal funding is set aside to co-fund the provision of dry sanitation units in Matlwangtlwang. Furthermore, funding application has been made through the Municipal Infrastructure Grant (MIG) to service 200 erven in Maokeng.

Various service delivery targets have been set in the municipality's IDP to ensure that access to basic services is realised in line with the national government's target dates. Free basic services are provided to indigent households according to the municipality's indigent policy. These includes 6kl of water, 50kWh electricity, free sanitation and refuse removal per month.

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Some of the key achievements by the Municipality in terms of service delivery and infrastructure development targets realised in the past five years include:

- Upgrading and Refurbishment of the Seisoville/Phomolong Network. The project was completed in June 2018.
- 66kV Overhead line from Main sub to South sub and extension of Main and South sub - Phase 2. The project was completed in June 2018.
- Rerouting of a sewer line in Constatia. The project was completed in June 2018.
- The upgrading of Smaldeel Road. The project was completed in March 2018.
- Refurbishment of Viljoenskroon Water Treatment Works. The project was completed in December 2017.
- Upgrading of Storm Water System and Chanelling of Vlei Areas in Maokeng (Phase 1). The project was completed in August 2017.
- Repair of Collapsed sewer line in Botha Street. The project was completed in August 2017.
- Repair of Collapsed sewer line 11th Avenue. The project was completed in August 2017.
- Repair of Collapsed sewer line in Wilson Street. The project was completed in August 2017.
- Construction of a 9km long bulk water pipeline in Steynsrus. The project was completed in July 2017.
- Upgrading of Internal road and provision of storm water management system in Matlwangtlwang. The project was completed in July 2017.
- Upgrading of Loubserpark Sports Facility, Phase 2. The project was completed in July 2017.
- Installation of Palisade fencing and construction of internal road in Stilfontein cemetery. The project was completed in June 2017.
- Refurbishment of B Pump Station. The project was completed in July 2017.
- Upgrading of Stilfontein Cemetery: Palisade fencing and roads. The project was completed in June 2017.
- Construction of 66kV overhead ring main feed line. The project was completed in June 2017.
- Fencing of Sewer Pumpstations and Treatment works in Moqhaka. The project was completed in May 2017.
- Fencing of Water Pumpstations and Treatment works in Moqhaka. The project was completed in May 2017.
- Electrification of 153 households in Marabastad. The project was completed in May 2017.
- Fencing of all water pump stations, reservoirs, and treatment plants in Moqhaka. The project was completed in May 2017.
- Fencing of all sanitation pump stations, and treatment plants. The project was completed in May 2017.

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- The provision of 100 units of dry sanitation toilets in Rammulotsi. The project was completed in March 2017.
- Reconstruction of collector roads (Botha, and Paul Kruger Roads in Kroonstad). The Project was completed in November 2016.
- Upgrading and Refurbishment of the Kroonstad Water Treatment Works. The project was completed in October 2016 and benefited 26 000 households in Maokeng, Kroonstad and Brentpark.
- Reconstruction of main roads in Kroonstad CBD (Cross and Reitz Street). The Project was completed in September 2016.
- Naledi Trust fuel cell electrification project. The project was completed in August 2016.
- Upgrading of Sewer Treatment Works, Ponds and Filters in Steynsrus, the project was completed in July 2016.
- Upgrade of Area Link Road in Rammulotsi. The project was completed in June 2016.
- Refurbishment of the Kroonstad Waste Water Treatment Works. The project was completed in November 2015 and benefited 26 000 households in Maokeng, Kroonstad and Brentpark.
- Upgrading of collector roads and storm water in Gelukwaarts. The project was completed in October 2015.
- Refurbishment of the Steynsrus Water Treatment Works, completed in the 2015/16 financial year and benefitting 2409 households of Matlwangtlwang and Steynsrus.
- The refurbishment of Viljoenskroon Waste Water Treatment Plant (WWTP) was completed in August 2015 and benefited 7000 households living in Viljoenskroon.
- The replacement of the bulk sewer pipeline from Boitumelo Hospital to 11th Avenue in Marabastad. The project was completed in July 2015.
- Upgrading of 11th Avenue Road, Marabastad. The project was completed in June 2015.
- The replacement of a collapsed sewer line in Hill Street. The project was completed in March 2015.
- Refurbishment of four sewer pump stations in Kroonstad (Kroonpark, A-station, Jordania, and Tuinhof pump station), completed in 2015.
- The refurbishment of Brentpark, Smit and Gelukwaarts Pump stations, completed in January 2015.
- Construction of an outfall sewer line in Maokeng, between Dinoheng and Delswa, this project was completed in February 2014.
- Installation of 7 high mast lights in Maokeng and 4 high mast lights in Rammulotsi. The project was completed during the 2014/15 financial year.

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- Electrification of Khatliso Moeketsi, completed in 2014/15.
- The construction of a 66kV overhead line and 66kV feeder bay between Main Substation and Maokeng Substation. Phases 1 and 2 were completed during the 2012/13 financial year. Phase 3 was completed during the 2013/14 financial year.

The following projects are currently at the design or construction phase and planned to be completed during the 2018/19/20 financial years:

- Upgrading of water pump stations in Kroonstad, Viljoenskroon and Steynsrus,
- Upgrading of 7 sewer pump stations in Kroonstad and Viljoenskroon,
- Water Conservation and Water Demand Management,
- Installation of dry sanitation toilets in Rammulotsi and Matlwangtlwang,
- Installation of Water Meters in Maokeng,
- Installation of sewer for 4000 new erven in Rammulotsi (northleigh),
- Installation of five high mast lights in Maokeng,
- Installation of two high mast lights in Rammulotsi,
- Installation of two high mast lights in Matlwangtlwang,
- Construction of 0,39 km tar road and stormwater crossing in Gelukwaarts,
- Construction of 0,96 km paved road and stormwater channel to Brendpark Stadium,
- Construction of 0,75 km paved road and stormwater channel at Ntanga Street, Seisoville,
- Construction of 0,62 km paved road and stormwater channel in Matlwangtlwang,
- Construction of road between Kroonstad and Steynsrus (R76).

COMMENT ON ACCESS TO BASIC MUNICIPAL SERVICES

By the end of 2017/18 financial year, 100% of the households in the municipal area had access to piped water within 200m from their dwelling. With regard to access to basic sanitation, 99% of households had access to flush toilets and ventilated pit latrines (VIPs) and 100% of households received a weekly refuse removal service. 100% of the households have access to electricity in the municipality's area of distribution, namely: Maokeng, Kroonstad, Viljoenskroon and Steynsrus. There is a 12% backlog of access to electricity in the Eskom distribution area, namely: Rammulotsi and Matlwangtlwang. However, Eskom is currently rolling out an electrification project in Rammulotsi to

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eradicate the backlog. The municipality has set targets for achieving the national outcomes for basic services in the 2017-2021 approved Integrated Development Plan (IDP).

The figure below shows the progress made with regard to service delivery since 2013/14.

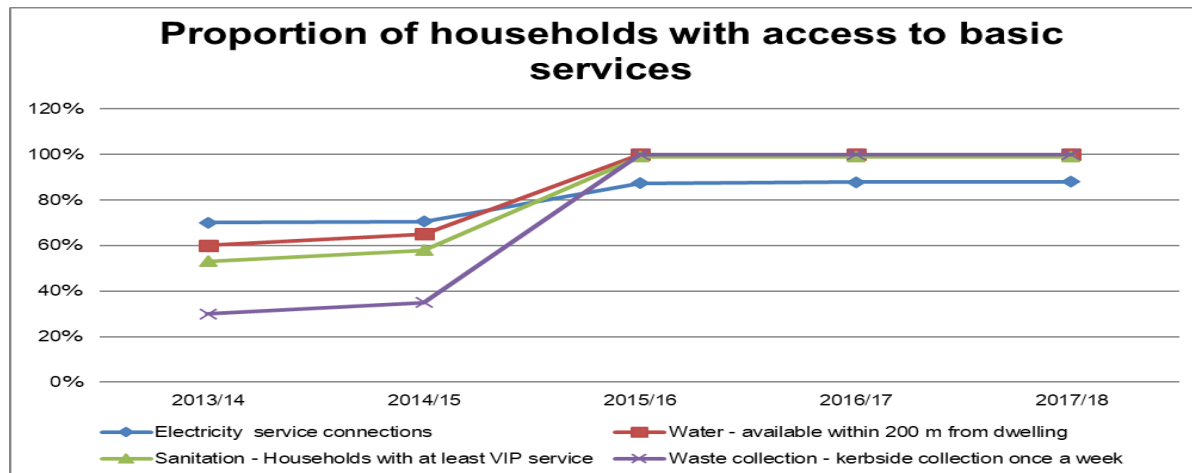


Figure 4: Access to services

1.4 FINANCIAL OVERVIEW

Refer to Chapter 5 Financial Performance information for full financial overview.

Table 11: Financial Overview – 2017/18

Financial Overview: 2017/18				R' 000
Details	Original budget	Adjustment Budget	Actual	
Income:				
Grants	160 968	160 968		161 672
Taxes, Levies and tariffs	533 185	542 091		433 136
Other	42 419	35 745		40 542
Sub Total	736 572	738 804		635 350
Less: Expenditure	720 108	714 889		506 559
Net Total*	16 464	23 915		128 787

Table 12: Operating Ratios

Detail	Operating Ratios	
	2016/17	2017/18

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	%	%
Employee Cost	33%	30%
Repairs & Maintenance	8%	6%
Finance Charges	2%	3%
Debt Impairment	6%	10%

COMMENT ON OPERATING RATIOS

All of the above operating ratios depict a favourable status regarding the municipality's expenditure, and are within the norms and standards.

Table 13: Total Capital Expenditure

Total Capital Expenditure: 2013/14 to 2017/18						R'000
Detail	2011/12	2012/13	2013/14	2014/15	2015/16	2017/18
Original Budget	110 007	56 897	105 554	57 124	52 756	102 688
Adjustment Budget	64 744	70 342	112 954	112 250	56 092	72 094
Actual	51 632	74 657	94 211	78 181	56 092	54 215

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

The municipality had 1407 approved posts on its organisational structure with 717 employees and a vacancy rate of 49,25% at the end of the 2016/2017 financial year. The highest vacancy rate is found at LED (100%), Security 84%, Workshop/Fleet Management 83%, Infrastructure & PMU and Roads and Storm Water at (70%). The turnover rate stood at 0,68%. The municipality had a high rate turnover due to a general shortage experienced employees who can do the duties of technicians (e.g. artisans, mechanical and electrical engineers) whilst certain departmental vacancies could not be filled due to the lack of plant and equipment.

The average sick leave per employee was 5 days. A total number of 5135 sick leave days were taken by employees at an estimated cost of R 4 816, 630.

1.6 AUDITOR GENERAL REPORT

Chapter 1

AUDITOR-GENERAL REPORT: 2017/18

The Auditor General Report for 2017/18 financial year is fully detailed out in Chapter 6 of the Annual Report.

1.7 STATUTORY ANNUAL REPORT PROCESS

According to legislation the Annual Report of a municipality must be tabled in the municipal council on or before 31 January each year. In order to enhance Councils oversight function, the municipality should submit their Annual Reports as soon as possible after the financial year end ideally this ought to be the end of August. Both the draft Annual Financial Statements and the Annual Report were submitted by the end of August to the Auditor-General. Management is currently developing processes and systems in order to ensure that the remaining sections be in place for the 2017/18 Annual Report process. It is expected that the entire process should be concluded by the end of December.

The anticipated process for the creation, submission, review and approval of the 2017/18 Annual Report is set out in the table below.

Table 14: Statutory Annual Report Process

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July/August
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to Municipal Manager	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Executive Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	September - November
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	
12	Municipalities receive and start to address the Auditor General's comments	January-March
13	Executive Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	

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No.	Activity	Timeframe
16	Council adopts Oversight report	March/April
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	February/March

COMMENT ON THE ANNUAL REPORT PROCESS

The municipality has been able to meet the new deadlines as per MFMA Circular No. 63 issued by the National Treasury in September 2012. Substantial progress has been made to align the format and contents of the Annual Report with the guidelines issued by the National Treasury. A concerted effort has been made by the municipality to ensure adherence to the above timelines with the compilation of the unaudited 2017/18 Annual Report.

The municipality appreciates the importance of alignment between the IDP, Budget and Performance Management System and the process to ensure proper alignment is continuously being reviewed and implemented.

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the communities are heard in decision-making. It is also responsive to the present and future needs of society.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The Municipality has all the powers assigned to it in terms of the Constitution as well as national and provincial legislation. The Municipality has the right to do anything reasonably necessary for, or incidental to, the effective exercise of its powers.

The executive and legislative authority of the Municipality vest in the Council. The Council takes the decisions of the Municipality except-

- (a) decisions on those matters that it has delegated to a delegated body;
- (b) decisions on those matters that by law have been assigned to a political structure, political office-bearer or employee of the Council.

Section 151 of the Constitution, 1996 states that the executive and legislative authority of a municipality is vested in its municipal council. This is complemented by the Municipal Structures Act and Municipal Systems Act. In terms of section 160(2) of the Constitution, 1996, the following powers may not be delegated by a municipal council and must therefore be exercised by council: passing of by-laws, approval of budgets, imposition of rates and taxes, levies and duties and the raising of loans. The Speaker is appointed by Council

Chapter 2

and performs her functions in terms of section 37 of the Municipal Structures Act, such as presiding at council meetings and overseeing the work of council committees.

The Council appointed an Audit and Performance Audit Committee which performs its functions in accordance with section 166(2) of the MFMA and the approved audit committee charter. This Committee reports directly to Council and make recommendations to Council in terms of its functions.

The Executive Mayor exercises his responsibilities in terms of the Municipal Structures Act, Municipal Systems Act, and Municipal Finance Management Act and in accordance with any powers and functions so delegated by the Council. The Executive Mayor is assisted by a Mayoral Committee who has been appointed in terms of section 60(1)(a) of the Municipal Structures Act. Members of the Mayoral Committee have been assigned specific areas of responsibility and chair the various portfolio committees. The portfolio committees consist of Councillors and reports directly to the Mayoral Committee. 2.1.0

POLITICAL STRUCTURE	Function
EXECUTIVE MAYOR Cllr M A Kolozi	Overall political responsibility for sound governance and service delivery
SPEAKER Cllr M Chakane	Public participation, ward committees and managing Council and Committee meetings
CHIEF WHIP Cllr L Phooko	Ensures discipline among Councillors; Managing relations between political parties and representation on Committees
MAYORAL COMMITTEE Cllr S B Tladi Cllr M Green Cllr Z S Magadlela Cllr S Mokoena Cllr E R Moletsane Cllr K L Kokami Cllr R Manefeldt Cllr L Mpondo Cllr B. Rooskrans	Municipal Infrastructure and Technical Services Public Safety and Transport Portfolio Committee IDP Portfolio Committee Corporate Support Services Portfolio Committee LED Portfolio Committee Spatial Development and Human Settlement Portfolio Committee Policy Development and Monitoring Portfolio Committee Community and Social Services Portfolio Committee Finance, Audit and Risk Management Portfolio Committee.

Chapter 2

COUNCILLORS

The municipality has 45 Councillors of which 23 are Ward Councillors and 22 PR Councillors. A full list of Councillors can be found (including committee allocations and attendance at council meetings) in **Appendix A**. Further note that **Appendix B** sets out committees and committee purposes.

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the accounting officer of the municipality and the head of the administration and reports directly to the Executive Mayor and Council. Directors (section 56 managers') report directly to the Municipal Manager and their performance is managed by the Municipal Managers in terms of the annually signed performance agreements and plans.

Directors are responsible for the management of their respective functions/departments, which include the management of service delivery programs and targets, personnel and budgets.

The Municipal Manager ensures accountability by departments through weekly and monthly management meetings and quarterly performance reviews of Directors.

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TOP ADMINISTRATIVE STRUCTURE

POST DESIGNATION		FUNCTION	PERFORMANCE AGREEMENT SIGNED YES/NO
1.	MUNICIPAL MANAGER Mr. MS Mqwathi	Accounting Officer and Head of Administration	Yes
2.	DIRECTOR: CORPORATE SERVICES Mr. M Mthwalo	<i>Human Resources, Auxiliary and Legal Services,; Council Support, Housing and LED</i>	Yes
3.	CHIEF FINANCIAL OFFICER Mr. T Marumo	<i>Expenditure, Revenue, Assets & Liability Management, Budgeting & Reporting</i>	Yes
4.	DIRECTOR: COMMUNITY & EMERGENCY SERVICES Ms. P Tshabalala	<i>Waste Management, Sport & Recreation, Arts & Culture, Public Safety and Parks</i>	Yes
5.	DIRECTOR: TECHNICAL SERVICES Ms. LD Ngwenya	<i>Water, Sanitation, Electricity, Roads & Storm water, and PMU</i>	Yes
6.	DIRECTOR: LED & PLANNING Vacant	<i>Local Economic Development, Town and Regional Planning,</i>	No

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO COOPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Moghaka Municipality through the 2017/18 financial year participated in a number of intergovernmental forums. This ensures that the Municipality is kept up to date on key developments in strategic areas of its responsibilities.

Through active participation in these forums and the available platform created the Municipality exchanges ideas and interact with other spheres of government.

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The municipality did not participate in National Structures.

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PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The main Provincial structure attended is the Premier's Coordinating Forum (PCF) in which the Executive Mayor and Municipal manager participate. Further also the MECLOGA.

The municipality actively participated in these structures which has prompted good intergovernmental relations, best practises and information sharing amongst all stakeholders.

DISTRICT INTERGOVERNMENTAL STRUCTURES

The Municipality is part of the District Coordinating Forum (DCF) where principal members are the Mayors, Speakers, Mayoral Committee Members and Municipal Managers. This platform assists the municipality to foster better relations with sister municipalities within the district.

In additions other structures such as the District Energy Forum (DEF) which is specifically focused on the relevant service delivery aspects are attended. This provides a platform for interaction with other Municipalities as well as Sector Departments involved.

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COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality improved on the responsibilities mentioned above as indicated in the 2017/2018 IDP by:

- Providing feedback to different communities on issues people raised during the first round of public engagements.
- Providing progress report on funded projects implemented in the different Wards.
- Providing opportunity for communities to making input to the 2017/2018 IDP process.
- Providing Ward Committee an opportunity to prioritise inputs received from the different wards.
- Encouraging Ward Councillors and Ward Committees to do further consultation about community's service delivery priorities.
- Encouraging communities, Stakeholders and individual members of society to make use of the opportunity to do submission regarding the IDP review and budget of the municipality.

The staff is allocated wards to work with and report on their activities. There are also members of ward committees responsible for different sections in their wards. These measures have helped as members of community reports issues related to service delivery at their earliest occurrence.

2.4 PUBLIC MEETINGS

KEY PURPOSES OF WARD COMMITTEES

- Create formal unbiased communication channels and co-operative partnerships between the Municipality and the community within a ward.
- Ensure contact between the Municipality and the community through the relevant feedback mechanisms.
- Act as an advisory body on council policies and matters affecting communities in the ward as requested.
- Make recommendations on matters affecting the ward to the ward councillor.

Chapter 2

- Serve as a constructive mobilizing agent for positive community action

COMMUNICATION, PARTICIPATION AND FORUMS

The municipality uses loud hailing, print media, posters, Mozolo FM as well as physical delivery of invitation such as IDP/budget which are on semester interval. These meetings are inclusive of representative from Safety, Business, NGO'S, CBO's and all other Stakeholders

Table 15: Public Meetings

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
IDP Public Participation Meetings	15/02/2018 to 28/02/2018 and 10/04/2018 to 09/05/2018	69	82	2371	Yes	Monthly Community Meetings
Budget Public Participation Meetings	10/04/2018 to 09/05/2018	78	95	3476	Yes	Monthly Community Meetings
Constituency Meeting	July 2017 to June 2018	45	55	15796	Yes	Monthly Community Meetings

COMMENT ON THE EFFECTIVENESS OF PUBLIC MEETINGS HELD

Public Meeting are sitting as Scheduled. Ward Councillors are always availing themselves for this meetings. Issues that are affecting service delivery in respective wards are discussed by the Ward Councillor together with Community in respective wards. Community members are attending the Public meetings even though the attendance at times is not satisfactory. The Public meetings are effective because Community members are getting the opportunity to discuss service delivery issues that are affecting them.

Chapter 2

2.5 IDP PARTICIPATION AND ALIGNMENT

Table 16: IDP Participation and Alignment Criteria

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align directly to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	No
*Section 26 Municipal Systems Act 2000	

Chapter 2

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Moqhaka Municipality endeavours to comply with all regulatory frameworks and best practices regarding corporate governance. This inter alia includes the establishment of a risk management function, internal audit unit and independent Audit Committee as well as the implementation of fraud and anti-corruption policies and measures.

Moqhaka Municipality demonstrated good governance and administration through hiring competent staff and also ensuring transparency and accountability.

In addition, Moqhaka Municipality follows a comprehensive system of rules and processes that are designed to sustain and enhance optimal and effective organizational management.

2.6 RISK MANAGEMENT

Risk Management provides a clear and structured approach to identifying risks. Having a clear understanding of all risks allows the municipality to measure and prioritise them and take the appropriate actions to reduce possible losses.

Risk Management as an important element of corporate governance, is enabled according to section 62(1)(c)(i) of the MFMA (Act 53 of 2003). Accordingly, risk management is a structured process involving all stakeholders of the enterprise, playing a role in identifying, and assessing the likelihood and impact of those events which may hamper the achievement of objectives or result into loss of opportunities. In the process, stakeholders must evaluate such events according to the risk philosophy of the municipality and accordingly come up with mitigating strategies or even decide to terminate operations or processes which may give rise to risks.

Governance in general involves steering the organisation away from risks into achieving organisational objectives. Risk Management is important for Moqhaka Local Municipality in a sense that, we rely on this process to ensure that we have reasonable assurance that all the priorities set in our IDP and SDBIP are achieved in that, we identify threats to those objectives. Risk Management helps us to be proactive and ultimately, fosters the development and implementation of internal controls within the organisation which is part of another important element of governance, Internal Controls.

Chapter 2

The role of the risk management unit is to facilitate the implementation of risk, fraud management policies and strategies. The risk management unit helps service departments in identifying risks however, the duty of service departments is to develop those measures which will curb risks.

2.7 ANTI-CORRUPTION AND FRAUD

The municipality has developed and implemented risk management policy, fraud management and whistle blowing policies for the management of fraud. We have not yet implemented a call centre or platform for the reporting or whistleblowing on fraud and corruption however, according to our policy we refer whistle blowers to the national hotline. We have established risk management and audit committees and are functioning to assist monitor risk areas within the municipality. There were no instances or reported cases of fraud, theft or corruption and, there are currently no pending investigations in place. We are in the process, with the assistance of Provincial treasury to establish a disciplinary board which will in turn assist with the investigations on matters of financial misconduct. It should be referred to Appendix G for the audit committee resolutions.

2.8 SUPPLY CHAIN MANAGEMENT

Supply chain Management Policy to comply with Prescribed Framework

Section 112. (1) of the supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive and cost- effective and comply with a prescribe regulatory framework for municipal supply chain management.

Review of SCM Policy

Moghaka Local Municipality adopted its Supply Chain Management Policy on the 27 February 2007. This was in compliance with Section 111 of the Municipal Finance Management Act (Act No. 56 of 2003).

In compliance with Regulation 3, of reviewing, adoption and amendment of Supply Chain Management Policy, the process of reviewing the Supply Chain Management Policy was completed and approved on 31 May 2018. Both the Political leadership and the management of the municipality have been workshopped on the Policy.

Chapter 2

Supply chain Management Unit

SCM Reg.3 states the following

- Each Municipality must establish a Supply Chain Management Unit to implement its supply chain management policy;
- An SCM Unit must, where possible, operate under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of Section 82 of the act.

The Supply Chain Management unit is under the direct supervision of the CFO. There is an organisational structure in place to allow for the establishment of the unit.

However, the structure developed does not allow for the proper establishment of all the elements of supply chain. The Supply Chain Management Unit in terms of the legislation is responsible for the following prescribed functions:

- Demand management;
- Acquisition management;
- Disposal management;
- Logistics management;
- Performance management; and
- Risk Management

Establishment an Annual Procurement Plan

Section 10.2 of the MLM SCM Policy: The Supply chain management shall after consultation with the SDBIP of the municipality, compile a schedule of capital projects in respect of each financial year. The schedule of capital projects must be for a financial year and be reviewed when the IDP is reviewed. During consultations between SCM and all other departments, all reasonable efforts shall be made to determine:

- a) The desired date and time at which a specific project must be awarded;
- b) The desired date and time when the implementation or delivery of goods and services must take place;

Chapter 2

- c) The place where delivery must be effected;
- d) The quantity and quality of any goods to be supplied; and
- e) And any other relevant matter

The Range of SCM Threshold is as follows:

Purchase Value

Required Process

Petty Cash Up to R2 000 [VAT included]

1 verbal quotation from the list of suppliers on the municipal data base Approved by the Head of Department

R2001 to R30 000.00 [VAT included]

At least three (3) formal written price quotations (on a rotational basis from the list of suppliers on the municipal data base)

R30 001 to R200 000 [VAT included] Competitive Bidding

At least three (3) formal written price quotations (which will be obtained by the Request for Quotations (RFQ's) seven (7) days advertisements

Over R200 000 [VAT included]

Competitive Bidding Process

Bid Committees

The following bid committees are established to allow for the smooth implementation of the competitive bidding process:

- Bid Specification Committee;
- Bid Evaluation Committee; and
- Bid Adjudication Committee

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Members of all bid committees were appointed by the Accounting Officer, (procurement above R200, 000) are dealt with by all three (3) bid committees.

SCM Personnel

There are currently three (3) full time officials employed in the Supply Chain Unit and Seven (7) full time officials are at Logistics.

Challenges

- SCM Structure were reviewed to address staff shortages. Awaits council approval of the new structure.
- SCM Functions are not yet centralised due to staff shortages.

Reporting

- All Monthly and Quarterly SCM Reports are submitted on time to Provincial and National Offices for compliance Purposes.
- The municipality only do business with Suppliers on Municipal Data Base and CSD.

2.9 BY-LAWS

Table 17: By-laws introduced

By-laws Introduced during 2017/18					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
Fire and Emergency Services By-Law		Yes			
Street Trading By-Law		Yes			
Tariff By-Law		Yes			
Traffic By-Law		Yes			

Chapter 2

Water Services Amendment By-Law		Yes			
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COMMENT ON BY-LAWS

An extensive public participation process was followed in Viljoenskroon, Rammulotsi, Kroonstad, Maokeng, Steynsrus and Matlwangtlwang. Both Councillors as well as officials from the user departments and legal section attended the public participation processes. The process of developing additional by-laws is continued with.

The enforcement of by-laws is done by the Departments responsible for performing the functions to which the by-laws relate as well as by the Security Section of the Council.

Table 18: List of Bylaws Developed

List of Bylaws Developed
SPLUMA - Municipal Land Use Planning Amendment By-Law

2.10 WEBSITE

A municipal website <http://www.moqhaka.gov.za/> is a key communication mechanism in terms of service offering, information sharing and public participation and should be an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

Chapter 2

Table 19: Municipal Website: Content and Currency of Material

Municipal Website: Content and Currency of Material	2016/17	2017/18
Documents published on the Municipality's / Entity's Website	Yes / No	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes	Yes
All current budget-related policies	Yes	Yes
The previous annual report	Yes	Yes
The annual report (2017/18) published/to be published	Yes	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2017/18) and resulting scorecards	Yes	Yes
All service delivery agreements	Yes	No
All long-term borrowing contracts	No	No
All supply chain management contracts above a prescribed value (give value) for 2017/18	No	No
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	No
Contracts agreed in 2017/18 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	No
Public-private partnership agreements referred to in section 120	No	No
All quarterly reports tabled in the council in terms of section 52 (d)	Yes	Yes

COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS

The municipality's website is managed and maintained by the ICT section. ICT has greatly improved in terms of managing and compliance of the municipality's website.

Delays and challenges were experienced with the timely receipt of documents from the user departments.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

No formal surveys have been undertaken by the municipality to determine the levels of community or public satisfaction with the municipality in general and service delivery matters in particular.

The inability to conduct surveys is directly related to financial and human capacity constraints experienced by the municipality and should be addressed going forward.

Chapter 2

Table 20: Satisfaction Surveys undertaken

Satisfaction Surveys Undertaken during: 2017/18				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:	No surveys conducted			
(a) Municipality				
(b) Municipal Service Delivery				
(c) Mayor				
Satisfaction with:				
(a) Refuse Collection				
(b) Road Maintenance				
(c) Electricity Supply				
(d) Water Supply				
(e) Sanitation Supply				
(f) Information supplied by municipality to the public				
(g) Opportunities for consultation on municipal affairs				

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

The municipality as a Service Authority within its area of jurisdiction has a legislative mandate to provide services in a safe and healthy environment. The Technical Services Department is responsible for the operation and maintenance of infrastructure which include electricity, water services, roads and storm water. The Technical Services Department also provides support services such as the mechanical workshop and the Project Management Unit (PMU).

The Technical Services Department plays a pivotal role in terms of facilitation and coordination of services provided by Provincial and National Departments. The municipality has adopted a five-year IDP Plan which is a strategic document aiding in the developments within the municipality. Sector plans are also included which gives effect to the strategies and objectives in the IDP. The IDP is further informed by both the National and Provincial development strategies.

The purpose of this section of the report is to provide information in respect of the core responsibilities, objectives, achievements as well as challenges faced by the Technical Department during the 2017/18 financial year.

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

Chapter 3

Introduction to basic services

Technical Services Department is responsible for the following services:

- Provision of new infrastructure in terms of planning and implementation.
- Operating, maintenance and refurbishing/rehabilitation of existing infrastructure.
- Provision of basic services such as water, sanitation and electricity.

This is done as a basic service delivery aspect in the following areas:

1. Water and waste water services

- Water purification
- Sewerage treatment
- Water and sewer pump stations
- Storage dams
- Water reservoirs
- Water and sewage reticulation networks

2. Roads, storm water, railways and public works

- Roads design, construction and maintenance
- Storm water drainage system
- Railway sidings and maintenance
- Bridges and culverts

3. Electricity

- Electricity Distribution
- Electricity network maintenance and upgrading

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- Electricity Consumption Care
- Public lighting

4. Buildings survey

- Approval of building plans, construction and inspections thereof

Objectives and Achievements

Strategic objectives are set out in planning and budgeting tools such as IDP and SDBIP in order to properly plan and achieve targets. Priority areas regarding basic service delivery are as follows:

- Access to water,
- Water loss,
- Water quality,
- Access to sanitation,
- Access to electricity,
- Energy efficiency,
- Access to municipal surfaced roads,
- Storm water management.

Departmental Challenges

- Institutional and organizational development:
 - Inadequate attraction and retention of skilled competent personnel,
 - Prolonged recruitment processes,
 - Inadequate training and development of staff.
- **Infrastructure maintenance and development:**

Chapter 3

- Outdated technology and aged infrastructure,
- Lack of infrastructure master plans and maintenance plans,
- Inadequate infrastructure capacity to meet supply demand,
- Increasing theft and vandalism of infrastructure,
- Limited preventative maintenance,
- Decaying infrastructure,
- Heavy motor vehicular movement through and around CBD,
- High distribution losses (water and electricity).
- Machinery, equipment and fleet:
 - Shortage of machinery, equipment and fleet,
 - High average age of municipal fleet,
 - Most fleet out of useful lifespan,
 - Prolonged turnaround time in terms of repairs and continued breakages,
 - Limited maintenance equipment,
 - Delayed processing time of purchase request in terms of maintenance and repairs,
 - Shortage of vehicles and machinery causing low productivity and low morale of staff cascading into serious delays in service delivery.
- **Financial Constraints:**
 - Insufficient maintenance budget,
 - Insufficient capital budget appropriated (own funding),
 - Lack of consumables and sundry items,

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- Supplier / municipal relations dented as a results of paying suppliers later than 30 days,
 - Long processing period of purchase orders.
- Natural Hazards:
 - rainfall and flooding causes delay in project implementation and flooding of residential areas,
 - drought, leading to inadequate raw water supply and thereby negatively affecting the Municipality's mandate of providing basic water service to its communities,
 - extensive damage to infrastructure (decaying roads surfaces and potholes) and facilities / property.
- Compliance to Regulations:
 - Inadequate monitoring and measuring equipment and processes to facilitate compliance.
- Bulk Supply Services:
 - Inadequate bulk raw water supply in Kroonstad and Steynsrus due to the drought that was experienced during the 2016/17 financial year,
 - Inadequate electricity bulk supply in Viljoenskroon.
 - Rapidly deteriorating condition of roads network including main roads.
 - Excessive demand for land which will require budget for bulk infrastructure upgrading.

Chapter 3

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Municipalities have a Constitutional responsibility for providing sustainable and viable water services to the communities within their areas of jurisdiction. Moqhaka local municipality is both a Water Services Authority (WSA) and a Water Services Provider (WSP). According to the Water Services Act No. 108 of 1997, Water Services Authority means any municipality, including a district or rural council responsible for ensuring access to water services. The WSA is both the owner of the works and is the elected representative of the customers. The Water Services Provider (WSP) means a person or organization that provides water services to the consumers or to another water services institution.

Water supplied by water services providers intended to be used for drinking or domestic purposes (potable water) must be of a quality consistent with SANS 241(Specifications for Drinking Water), as may be amended from time to time.

Basic water supply facility is:

The infrastructure necessary to supply 25 litres of potables of water per person per day supplied within 200 metres of a household and a minimum flow of 10 litres per minute (in the case of communal water points) or 6000 litres of potable water supplied per formal connection per month (in case of yard or house connections).

Basic water supply service is:

The provision of a basic supply facility, the sustainable operation of the facility (available for at least 350 days per year and not interrupted for more than 48 consecutive hours per incident) and the communication of good water use, hygiene and related practices.

The top three priorities for water provision are:

1. Sufficient water supply for communities.
2. Connections to individual stands with provision for indigents.
3. Provision of water within legal requirements (Water within Blue drop and SANS 241 standards).

Chapter 3

The challenge in water supply remains the balance between the available raw water and demand from the community. Although we have three dams and one weir in the Vals river with an off channel storage dam in Kroonstad, an off channel storage dam in Steynsrus and depend on the Renoster River in Viljoenskroon with water that can be augmented from the Vaal River when required we still have a challenge when flow in the river is minimal as in the case of a drought or even low rainfall during certain times of the year.

In Steynsrus there is an RBIG project (upgrading of the Steynsrus water treatment works and construction of a bulk raw water pipeline) that was completed in July 2017 which aimed at addressing the raw water shortfall, while in Viljoenskroon there are ongoing studies to increase supply in the area. Another challenge experienced in Kroonstad is the silting of the dams in the river which reduces the available capacity of water.

The blue drop status of the Municipality improved from 54.93% in 2012 to 60.16% in 2014 and it is expected to improve when we are accesses by the Department of Water and Sanitation due to the recent refurbishment of the water treatment works and the appointment of process controllers for the Kroonstad water treatment works that are in line with regulation 16.

The Steynsrus water treatment works was upgraded during the 2015/16 financial year under the RBIG project funded by DWS who appointed Rand Water as implementing agent. This project is looking at the holistic water supply issues in Steynsrus to try and eliminate future water shortages in the area. The upgrading of the Kroonstad treatment works was completed in 2016/17 financial year and it is expected that the better quality of water from both the works will also contribute to an increase in the blue drop status.

All formal areas of Moqhaka available for occupation are provided with water networks with pre-installed connections and consumers moving onto unconnected stands are connected on application.

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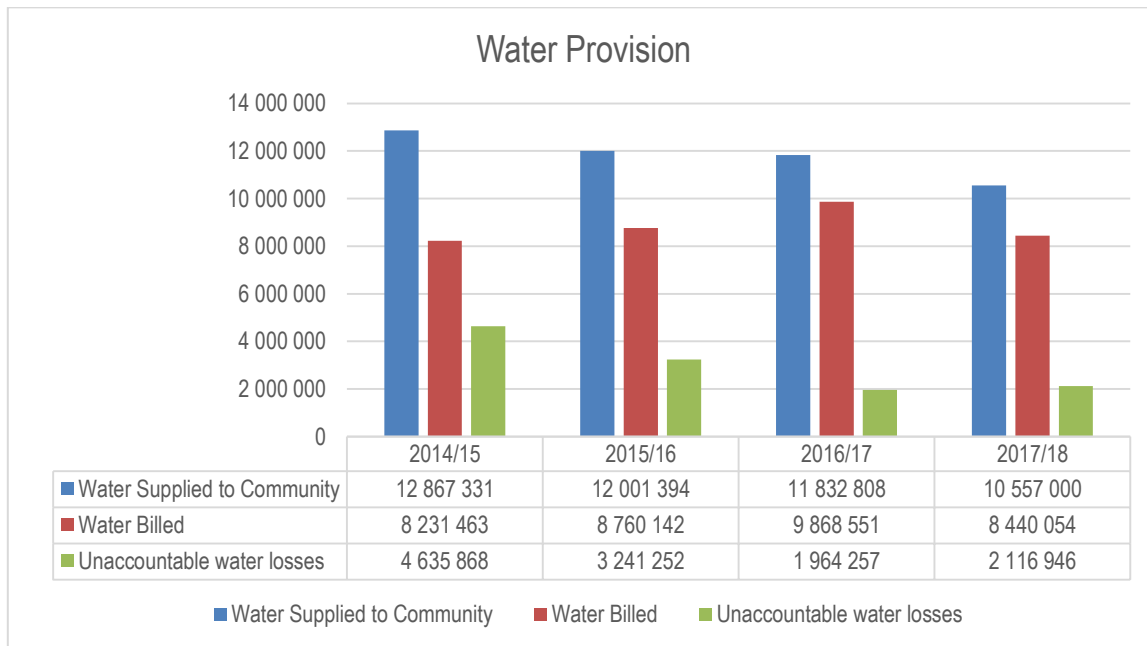


Figure 5: Total use of water

COMMENT ON WATER USE BY SECTOR:

Water demand currently exceeds the supply in both Steynsrus as well as Viljoenskroon due to the following:

1. In Steynsrus the raw water supply from the Vals River is affected by the fact that the seasonal flow in the river is unreliable and the limited raw water storage capacity in the off channel storage dam cannot keep up with the demand that originated from the installation of waterborne toilets in Matlwangtlwang. A project funded by DWS (RBIG) is currently running to increase the availability of raw water in the area. The project is continuing with investigations on methods to augment the existing raw water supply.
2. In Viljoenskroon the placement of residents in the Northleigh is placing pressure on the water supply as the treatment works can only provide a limited volume of water thus placing the supply under pressure and impacting on supply and pressure. Because of this some high lying areas are without water during certain periods of the day but consultants are currently busy with studies to address this issue.

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Table 21: Water Service Delivery Levels

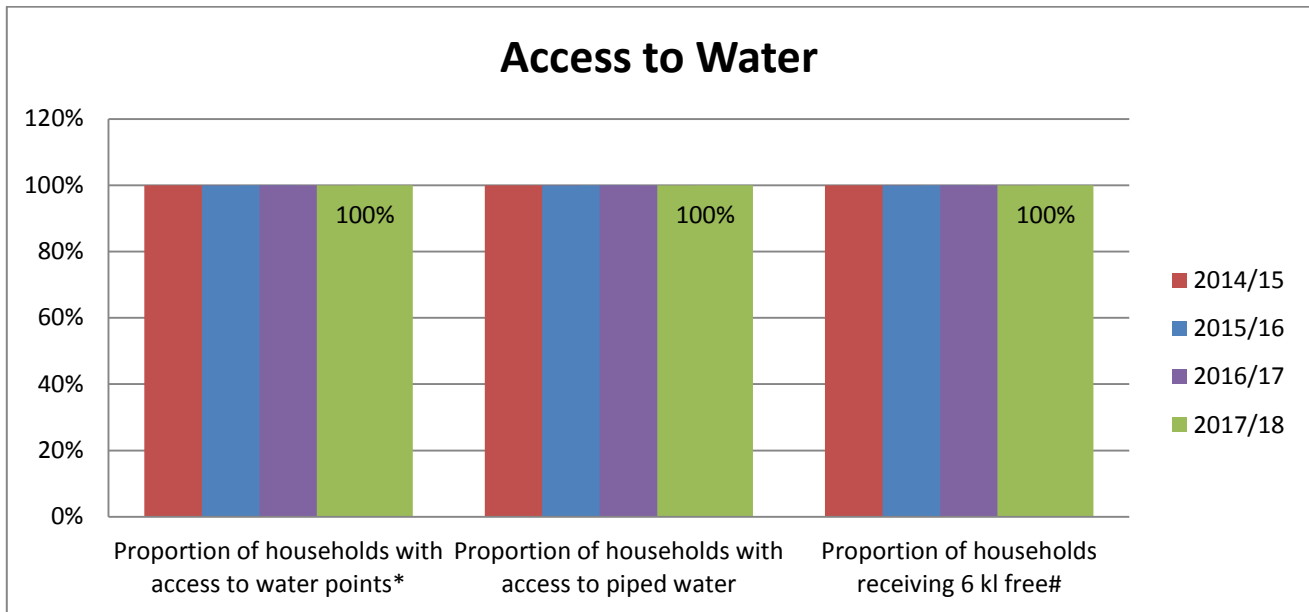
Water Service Delivery Levels						
Description	Ref	Households				
		2014/15	2015/16	2015/16	2016/17	2017/18
		Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
<u>Water: (above min level)</u>						
Piped water inside yard (but not in dwelling)		13 560	13 661	13 661	33 380	33 380
Using public tap (within 200m from dwelling)	2	205	205	205	205	205
Other water supply (within 200m)	4	0	0	0	0	0
<i>Minimum Service Level and Above sub-total</i>		13 765	13 866	13 866	33 585	33 585
<i>Minimum Service Level and Above Percentage</i>		100%	100%	100%	100%	100%
<u>Water: (below min level)</u>						
Using public tap (more than 200m from dwelling)	3	0	0	0	0	0
Other water supply (more than 200m from dwelling)	4	0	0	0	0	0
No water supply		0	0	0	0	0
<i>Below Minimum Service Level sub-total</i>		0	0	0	0	0
<i>Below Minimum Service Level Percentage</i>		0%	0%	0%	0%	0%
Total number of households*	5	13 765	13 866	13 866	33 585	33 585

Table 22: Households - Water Service Delivery Levels

Households						
Description	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
Formal Settlements						
Total HH					33 380	33 380
Households below minimum service level			14 560	13 661	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlements						
Total households			205	205	205	205
Households below minimum service level			205	205	0	0
Proportion of households below minimum service level	0%	0%	100%	100%	0%	0%

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Figure 6: Access to water



Note: All households in the municipal area of responsibility have access to water.

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Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Service Delivery

KPA: Basic Service Delivery and Infrastructure Investment

IDP Priority 1: Water provision

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 143	By reducing water lost in the municipal distribution area	Basic Service Delivery	To reduce water loss in distribution to 37%. (MFMA Circular 71)	(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purchased or Purified × 100	Director Technical Services	40%	8%	30%	30%	Target Achieved.	None	Billing and Purchase information from Financial System and water meter readings.		The target was achieved for 2017/18. However performance decreased as 8% was achieved in the 2017/18 financial year.
TL 144	By ensuring access to portable water by 2019 to include small holdings and surrounding plots.	Basic Service Delivery	Number of HH in informal settlements including plots and small holdings that meet the minimum water services standard.	Number of HH with access to water within 200m	Director Technical Services	32 448	33 585	33 585	34 011	Target Achieved	None	Evaluation Roll Report		The municipality increased its performance.
TL 145	By ensuring that water quality is monitored throughout the supply network to ensure compliance with applicable standards	Basic Service Delivery	Number of samples taken to measure the water quality	Sum of samples taken	Director Technical Services	NEW KPI	40	160	233	Target Achieved	None	Lab Reports		The municipality increased its performance.
TL 146	By ensuring compliance with Blue Drop as a quality standard by 2018	Basic Service Delivery	% compliance to potable water quality standards (Blue Drop Status)	DWS Report	Director Technical Services	60.16	60.16	65%	-	Not Assessed.	None	DWS report		Not Assessed.

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Table 23: Employees Water Services

Employees: Water Services						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	1	1	0	1	100%
4 - 6	4	5	17	5	0	0%
7 - 9	12	14	42	15	27	64%
10 - 12	12	8	16	10	6	38%
13 - 15	2	3	8	81	-73	-913%
16 - 18	73	71	128	21	107	84%
19 - 20	0	0	33	6	27	82%
Total	104	102	245	138	107	44%

Table 24: Financial Performance Water Service

Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	80 347	85 839	101 520	120 050	98 250	-3%
Expenditure:						
Employees	13 081	14 398	15 449	16 199	14 229	-9%
Repairs and Maintenance	11 232	6 950	6 396	7 493	4 705	-36%
Other	26 256	34 890	33 121	34 236	22 090	-50%
Total Operational Expenditure	50 569	56 238	54 966	57 927	42 202	-30%
Net Operational Expenditure	(29 778)	(29 601)	(46 553)	(62 123)	(56 048)	17%
T 3.1.8						

Table 25: Capital Expenditure Water Service

Capital Expenditure 2017/18: Water Services					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	25 687	0	25 687	0%	28 269
Maokeng: Installation of Water Meters	18	0	18	0%	2 600
Upgrading of 7 water pump stations in Kroonstad, Viljoenskroon and Steynsrus	7 900	0	7 900	0%	7 900
Refurbishment of Viljoenskroon Water Treatment Works	7 842	0	7 842	0%	7 842
Water Conservation and Water Demand Management	9 928	0	9 928	0%	9 928

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COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

A number of capital projects were implemented during the 2017/18 financial year in order to improve water provision within Moqhaka and reduce overall water losses. The project for the installation of water meters in Maokeng funded through MIG was initiated in June 2018 and will be completed during the 2018/19 financial year. This project is intended to replace water meters in households that are currently sharing a meter and households without meters, thereby drastically improving the measurements of real consumption within the area and reduce unaccountable water losses. The Municipality is also continuously replacing faulty and leaking water meters through repairs and maintenance budget in an effort to eliminate water losses and to enhance revenue.

The Municipality also embarked on a project to upgrade water pump stations across all three towns of the Municipality during the 2017/18. The project was critical in order to ensure uninterrupted water supply to the community of Kroonstad and to do away with aged infrastructure that was no longer efficient. This project is nearing completion and it is envisaged to be completed during the 1st quarter of 2018/19 financial year.

The refurbishment of Viljoenskroon water treatment works was completed in 2017/18 financial year and the outcome of the project was to improve the quality and quantity of water supplied to the Viljoenskroon/Rammulotsi community. This project was funded by the Department of Water and Sanitation through the Water and Sanitation Infrastructure Grant Programme.

Lastly but not least the Municipality implemented a Water Conservation and Water Demand Management (WCWDM) project within Kroonstad aimed at reducing water losses. The project is near completion and is envisaged to be completed during the 1st quarter of 2018/19 financial year. This project entailed: installation of telemetry systems in the reservoirs within Kroonstad/Maokeng in order to remotely monitor reservoir levels and therefore reduce incidents of overflowing reservoirs or critically low reservoirs, replacing an asbestos cement bulk pipeline (350mm \varnothing) from Maokeng reservoir distributing water to the community of Maokeng, and replacing bulk leaking valves. The municipality intends to embark on a similar project in Viljoenskroon and Steynsrus in future once funding has been sourced for the project.

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3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

MLM residents enjoy 99% sanitation service coverage and 100% water service provision. In alignment with the National Policy and Emergency Housing Service Guidelines, the municipality met the minimum level of service for sanitation. This included the provision of a basic sanitation infrastructure facility necessary to provide a sanitation service which is safe, reliable, private, protected from the weather, ventilated, keeps smells to the minimum, is easy to keep clean, minimises the risk of the spread of sanitation-related diseases by facilitating the appropriate control of disease-carrying flies and pests, and enables safe and appropriate treatment and/or removal of human waste and wastewater in an environmentally sound manner.

Sanitation needs are determined via the consumer base on the ground. Shortages and spillages are monitored and future needs are based on results. Further inputs from the community and political offices are compared with departmentally identified issues and included in the IDP as needed. National government targets are also included in future planning.

The top three priorities with regard to sanitation are:

1. Access to sanitation for all
2. Connections to individual stands
3. Reduction of spillages

MLM has taken great efforts towards the reduction of spillages, through the replacement of several collapsed sewer pipelines and refurbishment/upgrading of sewer pump stations.

Efforts made towards improving the Municipality's Green Drop Score include refurbishment of the Kroonstad Waste Water Treatment Works (WWTW), Refurbishment of the Steynsrus Waste Water Treatment Works, Refurbishment of the Viljoenskroon Waste Water Treatment Works, refurbishment of pump stations, and the appointment of experienced process controllers to mend the Kroonstad WWTW.

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Table 26: Sanitation Service Delivery

Sanitation Service Delivery Levels					
Description	2013/14	2014/15	2015/6	2016/17	*Households 2017/18
	Outcome No.	Outcome No.	Outcome No.	Outcome No.	Outcome No.
<u>Sanitation/sewerage: (above minimum level)</u>					
Flush toilet (connected to sewerage)	30 939	30 939	30 939	32 078	32 078
Flush toilet (with septic tank)	450	450	450	450	450
Chemical toilet	0	0	0	0	0
Pit toilet (ventilated)	1 200	1 200	1 200	1 200	1 200
Other toilet provisions (above min.service level)					
Minimum Service Level and					
Above sub-total	32 589	32 589	32 589	33 728	33 728
Minimum Service Level and					
Above Percentage	98,8%	98,8%	99,1%	99,4%	99,4%
<u>Sanitation/sewerage: (below minimum level)</u>					
Bucket toilet	198	198	98	50	0
Other toilet provisions (below min.service level)	205	205	205	205	205
No toilet provisions					
Below Minimum Service Level					
sub-total	403	403	303	205	205
Below Minimum Service Level					
Percentage	1,2%	1,2%	0,9%	0,8%	0,6%
Total households	32 992	32 992	32 892	33 983	33 933
*Total number of households including informal settlements					

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Table 27: Sanitation Service Delivery below the Minimum

Households - Sanitation Service Delivery Levels below the minimum					
Description	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Actual	Actual	Actual	Actual
	No.	No.	No.	No.	No.
Formal Settlements					
Total households	32 589	32 589	32 589	32 589	33 728
Households below minimum service level	400	200	198	35	0
Proportion of households below minimum service level	1.23%	0.61%	0.61%	0.11%	0%
Informal Settlements					
Total households	205	205	205	205	205
Households below minimum service level	205	205	205	205	205
Proportion of households below minimum service level	100%	100%	100%	100%	100%
T 3.2.4					

Note: All informal settlements in Rammulotsi were formalised and the only informal settlement is currently in Matlwangtlwang in Steynsrus that consist of 205 households.

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Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Service Delivery

KPA: Basic Service Delivery and Infrastructure Investment

IDP Priority 2: Sanitation provision

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 140	By ensuring that basic sanitation standards are communication and known to the community and the municipality adheres to them.	Basic Service Delivery	Number of HH with access to basic sanitation	Sum of HH with access to basic Sanitation	Director Technical Services	32 391	32 498	33 728	34 011	Target achieved	None	Evaluation Roll Report	The municipality increased its performance.
TL 141	By expanding sanitation services to cover any back log and roll it out to newly established settlements	Basic Service Delivery	Number of HH without minimum sanitation standards	Sum of Households in formal areas without access to minimum sanitation.	Director Technical Services	198	56	0	0	Target achieved	None	Layout drawing and project completion certificate	The municipality increased its performance.
TL 142	By improving Green Drop rating through DWS	Basic Service Delivery	% compliance to waste water quality standards (Green Drop Status)	DWS Report	Director Technical Services	NEW KPI	25.89%	25.89%	-	Not Assessed.	None	DWS Report	Not Assessed.

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Figure 7: Access to sanitation

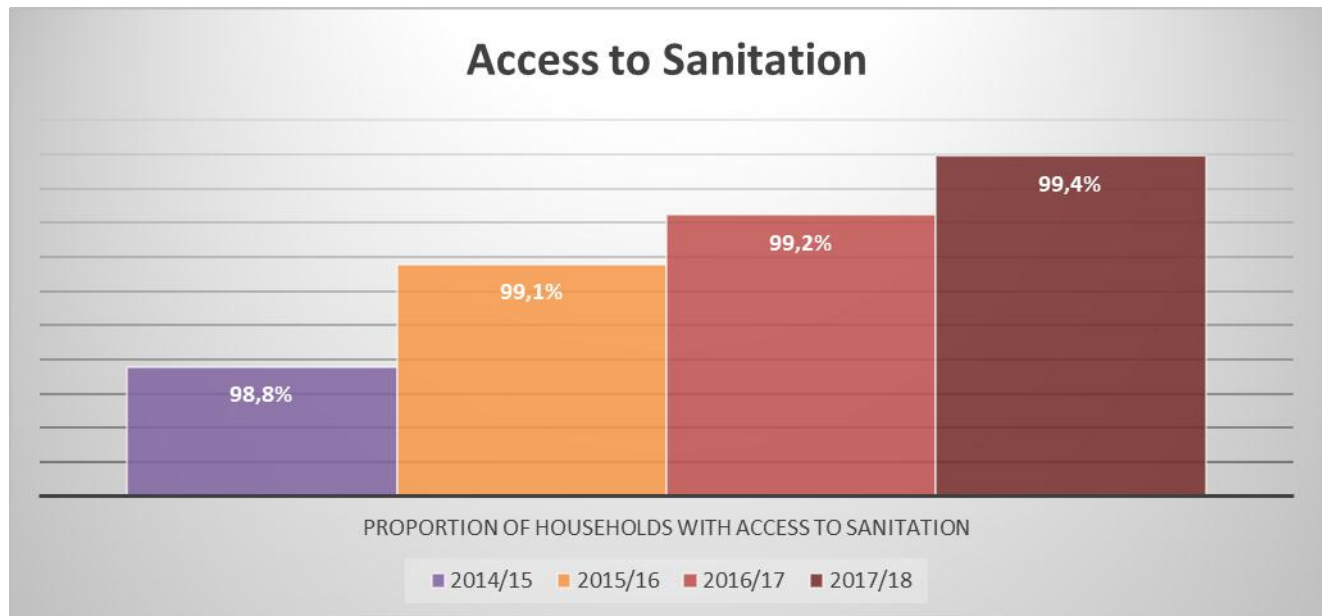


Table 28: Employees: Sanitation Service

Employees: Sanitation Services						
Job Level	2014/15	2015/16	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	Refer to Table 23 Above					
4 - 6						
7 - 9						
10 - 12						
13 - 15						
16 - 18						
19 - 20						
Total						

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Table 29: Financial Performance 2017/18: Sanitation Service

Financial Performance 2017/18: Sanitation Services						
R'000						
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	27 786	42 573	37 119	42 303	40 835	9%
Expenditure:			-	-	-	
Employees	16 481	20 743	21 832	22 677	21 661	-1%
Repairs and Maintenance	9 514	9 722	12 205	16 021	11 106	-10%
Other	7 442	13 547	3 000	3 851	1 286	-133%
Total Operational Expenditure	33 437	44 102	37 037	42 549	34 053	-9%
Net Operational Expenditure	5 651	1 439	(82)	246	(6 782)	99%

Table 30: Capital Expenditure 2017/18: Sanitation Service

Capital Expenditure 2017/18: Sanitation Services					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	16 221	-	16 221	0%	36 607
Moqhaka: Installation of sewer for 4000 new erven in Rammulotsi (Northleigh)	8 230	-	8 230	0%	28 608
Upgrading of sewer pump stations in Kroonstad, and Viljoenskroon	7 990	-	7 990	0%	7 999

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

The biggest challenge with regard to sanitation is frequent sewer spillages as a results of foreign objects thrown into the sewer network, collapsed sewer pipes, and malfunctioning sewer pumpstations. These spillages pose health risks to the surrounding communities of Moqhaka and also pollute our water resources. Community awareness programs through ward meetings are conducted to make the community aware of the negative

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impact of throwing foreign objects in the sewer network. Where it is found that spillages occur as a result of infrastructure damage the required repairs are done to reduce such spillages.

In order to deal with malfunctioning pump stations, an MIG funded project was implemented during the 2017/18 financial for the upgrading of sewer pump stations in Kroonstad and Viljoenskroon. The project will be completed during the first quarter of 2018/19 financial year.

Another MIG funded project aimed at proving bulk sewer network and pump station for the 4000 future development in Northleigh is also underway and will be completed during the 2018/19 financial year. The project scope of work entails a bulk pipeline and new sewer pump station.

In order to eliminate the backlog related to access to sanitation in formal areas of Moqhaka, a project funded and implemented by Rand Water Foundation has been implemented for the past 3 financial years for the installation of on-site dry sanitation toilets in Rammulotsi and Matlwangtlwang. This type of sanitation technology is especially suitable in areas that experiences water shortages such as Steynsrus. The Municipality will be rolling out the project again in the 2018/19 financial year within Matlwangtlwang to provide sanitation to new developments as there are currently water challenges in Steynsrus/Matlwangtlwang.

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

The Municipality as a Service Authority within its area of jurisdiction has a Legislative Mandate to provide services in a safe and healthy environment. The Electricity section is also responsible for operation, maintenance, extension and upgrading of the infrastructure. However the municipality has inherited an infrastructural base that is in a state of decay, aged and out dated technology. The backlogs are colossal and the available resources are not equivalent to the task at hand.

Overall the Electricity Section has during the 2017/18 financial year addressed various challenges mainly relating to the high and medium voltage supply and reticulation and in the process improving quality and

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security of supply to the community with limited resources. It should however be emphasised that due to the insufficient resources such as budget, personnel and equipment such as vehicles etc. the routine maintenance on the existing infrastructure are neglected which is a point of concern.

Table 31: Electricity Service Delivery Levels

Electricity Service Delivery Levels					
Description	2013/14	2014/15	2015/16	2016/17	Households 2017/18
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
<u>Energy: (above minimum level)</u>					
Electricity (at least min.service level)	1 807	1 831	1 765	1 765	1 329
Electricity - prepaid (min.service level)	19 311	14 138	26 875	27 015	28 201
<i>Minimum Service Level and Above sub-total</i>	21 118	15 969	28 640	28 780	29 530
<i>Minimum Service Level and Above Percentage</i>	83,6%	70,5%	87,3%	87,8%	88,0%
<u>Energy: (below minimum level)</u>					
Electricity (< min.service level)	190	43	4 154	4 014	4 014
Electricity - prepaid (< min. service level)	4 147	6 625	0	0	0
Other energy sources	0	0	0	0	0
<i>Below Minimum Service Level sub-total</i>	4 147	6 668	4 154	4 014	4 014
<i>Below Minimum Service Level Percentage</i>	16,4%	29,5%	12,7%	12,2%	12,0%
Total number of households	25 265	22 637	32 794	32 794	33 544

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Table 32: Households - Electricity Service Delivery Levels below the minimum

Households - Electricity Service Delivery Levels below the minimum					
Description	2013/14	2014/15	2015/16	2016/17	Households 2017/18
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
Formal Settlements					
Total households	25 455	22 637	32 794	32 794	33 544
Households below minimum service level			3 949	3 809	3 809
Proportion of households below minimum service level	0%	0%	12%	12%	11%
Informal Settlements					
Total households	0	0	205	205	205
Households below minimum service level	0	0	205	205	205
Proportion of households below minimum service level	0%	0%	100%	100%	100%

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Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Service Delivery

KPA: Basic Service Delivery and Infrastructure Investment

IDP Priority 4: Electricity and Energy

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 5	To expand the electrification programme to any remaining areas and roll out solar energy in any identified at prescribed standards	Basic Service Delivery	Number of HH in municipal supply area that meet agreed electricity service standards (connected to the National Grid).	Sum of HH with access to electricity (connected to the National Grid).	Director Technical Services.	26 643	23 077	23 182	25 774	Target Achieved	None	Evaluation Roll Report		The municipality increased its performance and met the set target.
TL 131	To form partnerships with Sector Departments to assist with the development of Energy Master Plan	Basic Service Delivery	Progress made towards the development of the master plan	Number of HH with access to basic electricity service divided by total Number of HH	Director Technical Services	NEW KPI	NEW KP	50%	50%	Target achieved	None	Draft Master Plan Report		New KPI therefore no comparison could be made.
TL 132	By rolling out electrification of newly established settlements and those with a back log	Basic Service Delivery	Number of HH without access to minimum electricity standards	Sum of HH without access to minimum electricity services	Director Technical Services	351	351	50	0	Target achieved	None	Technical Reports		The municipality improved its performance.
TL 133	By ensuring that electricity related Capital project are rolled out in terms of approved project plan	Basic Service Delivery	% spent of approved electricity capital projects	Actual spending/approved electricity capital budget	Director Technical Services	98%	98%	95%	100%	Target Achieved.	None \	Allocation letter from DOE and Proof of payment to Contractor		The municipality improved its performance.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 134	Reduce electricity losses by improving inspections and maintenance.	Basic Service Delivery	% Electricity distribution losses.(KWH billed/KWH acquired) (MFMA Circular 71)	(Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and / or Generated) × 100	Director Technical Services	14.5%	16.29%	14%	18.56%	Target not achieved, include 4% line losses therefore losses is 13.62%	This is a desktop exercise and figure could change depending on the financial reporting system. Busy replacing faulty meters and bypassed meters and currently busy with tender for smart metering	Billing and Purchase information from Financial System		The performance of the municipality decreased compared to last year

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Table 33: Employees: Electricity Services

Employees: Electricity Services						
Job Level	2015/16	2016/17	2017/18			
	Employees No	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	1	1	0	0%
4 - 6	2	3	7	2	5	71%
7 - 9	15	19	30	19	11	37%
10 - 12	7	4	17	3	14	82%
13 - 15	2	20	20	15	5	25%
16 - 18	28	10	35	15	20	57%
19 - 20	0	0	0	0	0	0%
Total	55	57	110	55	55	50%

Table 34: Financial Performance: Electricity Services

Financial Performance 2017/18: Electricity Services						
R'000						
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	252	269	294 735	296 893	260 240	-13%
Expenditure:						
Employees	14	15	18 289	18 487	16 343	-12%
Repairs and Maintenance	9	12	29 509	36 801	22 429	-32%
Other	221	76	229 308	228 934	184 429	-24%
Total Operational Expenditure	243	103	277 106	284 222	223 201	-24%
Net Operational Expenditure	-9	-167	-17 629	-12 671	-37 039	52%

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Table 35: Capital Expenditure: Electricity Services

Capital Expenditure 2017/18: Electricity Services					R' 000
Capital Projects	2017/18				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	5 000 000	0	5 000 000	0%	
MV & LV Overhead lines in Seisoville/Phomolong	2 401 824		2 401 824	0%	2 401 824
Construction of 66KV overhead ring main feed line - Phase 2	2 598 176		2 598 176	0%	2 598 176

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

The operation of the Electricity Section is totally dependent on the annual operating budget allocation. The main source of income is electricity sales.

The project "INSTALLATION OF 7 HIGH MAST LIGHTS IN MOQHAKA" to the value of R 5 650 652 funded through the Municipal Infrastructure Grant (MIG) commenced during the 2017/18 financial year.

Electrification projects and bulk upgrades are funded by the Department of Energy (DoE).

DoE funded the following projects:

1. "REFURBISHMENT OF MV AND LV OVERHEAD LINES IN SEEISOVILLE AND PHOMOLONG PHASE 1" to the value of R 2 401 824
2. "CONSTRUCTION OF A 66kV OVERHEAD POWER LINE FROM MAIN SUBSTATION TO SOUTH SUBSTATION IN KROONSTAD" to the value of R 2 598 176

Street lights and High mast lights are repaired on a daily basis however the process is slow due to limited resources. A service provider was appointed to assist with the repair of street lights in the Smaldeel Road.

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Challenges are experienced with meters that are being tampered with or unavailability of meters. Approximately 3000 blocked prepaid meters were identified to be inspected / replaced. A panel of service providers was appointed in order to assist in the backlog of replacing / inspection of suspected faulty meters. A total of 2962 faulty electricity meters were replaced / repaired / inspected during the 2017/18 financial year of which 2062 were done by service providers.

Constraints:

- Shortage of vehicles (Mechanical problems with vehicles and standing time involved),
- Shortage of staff,
- Shortage of materials (including minimum stock items in the Stores) and equipment,
- Non-payment of service providers which leads to stoppage of service from service providers,
- Theft and attempted theft of cable and transformers,
- Ageing infrastructure (Risk of service disruptions),
- Overworking of staff due to staff shortages, this in turn negatively impact on the health of employees.

The above mentioned constraints all impacted negatively on service delivery due to additional work load, unproductive standing time, long waiting period for spares and equipment, limited preventative maintenance hence unnecessary and avoidable damage to the infrastructure. Due to the shortage of vehicles the cut-off action could not be executed properly as required and this reflected negatively on the overall financial situation of Council.

The municipality only maintain the electricity services in the municipality's area of responsibility for which the municipality holds the license. The reporting figures below includes all households (including Eskom distribution area) that have access to electricity.

CONSUMER AND CONSUMPTION INFORMATION 2017 / 18

Number of consumers	: 24 162
Total number of units from Eskom	: 254 395 055
Total Cost (excl. VAT)	: R 217 641 242.04

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Total Number of units sold	: 207 190 559
Total Amount (excl. VAT)	: R 260 093 915.24
Total units lost (line losses incl.)	: 47 204 496

3.4 WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

The Solid Waste Management mandate is derived from Chapter 2, Section 24 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). The National Environmental Management: Waste Act (NEMWA), 2008 (Act 59 of 2008) is the core legislative guide for the delivering a quality Solid Waste Management service. The Section is comprised of the following divisions; Refuse Removal, Street Cleansing, Public Toilets and Landfill sites.

VISION

To create a better environment, activate cooperation between the municipality and the community towards better solid waste management, protection and sustainability of the environmental and natural resources, and contribute to improve the quality of life.

MISSION

Optimal use of resources, building capacity to contribute into sustainable development, development of policies to improve the level of services by addressing the challenges of solid waste management, and promote community awareness and partnership.

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Table 36: Solid Waste Service Delivery Levels

Description	Households				
	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
<u>Solid Waste Removal: (Minimum level)</u>					
Removed at least once a week	32 214	32 464	32 794	32 794	33 147
<i>Minimum Service Level and Above sub-total</i>	32 214	32 464	32 794	32 794	33 147
<i>Minimum Service Level and Above percentage</i>	100,0%	100,0%	100,0%	100,0%	100,0%
<u>Solid Waste Removal: (Below minimum level)</u>					
Removed less frequently than once a week					
Using communal refuse dump					
Using own refuse dump	0	0	0	0	0
Other rubbish disposal					
No rubbish disposal					
<i>Below Minimum Service Level sub-total</i>	0	0	0	0	0
<i>Below Minimum Service Level percentage</i>	0,0%	0,0%	0,0%	0,0%	0,0%
Total number of households	32 214	32 464	32 794	32 794	33 147
T 3.4.2					

Table 37: Households - Solid Waste Service Delivery Levels

Households - Solid Waste Service Delivery Levels below the minimum					
Description	Households				
	2013/14	2014/15	2015/15	2016/17	2017/18
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
Formal Settlements					
Total households	31 964	32 214	32 589	33 -*147	33 147
Households below minimum service level	0	0	0	0	
Proportion of households below minimum service level	0%	0%	0%	0%	0%
Informal Settlements					
Total households	400	400	205	205	205
Households below minimum service level	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%

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Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Service Delivery

KPA: Basic Service Delivery and Infrastructure Investment

IDP Priority 7: Solid Waste Management

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		
TL13	To ensure that the IWMP is finalized and approved.	Basic Service Deliver	Number of Households with access to basic refuse standard in the municipal area of responsibility	Sum of HH with access to basic Refuse.	Director Community and Social Services	32 589	33 147	33 147	34 011	Target achieved	None	Evaluation Roll Report		The Municipality maintained its performance.
TL 107	By ensuring access to solid waste removal services to all HH within the municipal area by 2018	Basic Service Delivery	Number of households in formal areas with kerb-side refuse removal services (once a week)	Sum of sites serviced	Director Community Services and Social Services	32 589	33 147	33 147	34 011	Target Achieved	None	Evaluation Roll Report.		The municipality maintained its performance.
TL 109	To curb the incidence of illegal dumping in the municipal area	Basic Service Delivery	Number of fines issued to perpetrators by law enforcement/ Peace Officers	Sum of fines issued	Director Community Services and Social Services	NEW KPI	NEW KPI	4	4	Target Achieved	None	Fines Issued		New KPI therefore no comparison could be made.

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Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Service Delivery

KPA: Good Governance and Public Participation

IDP Priority 7: Solid Waste Management

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		
TL 108	To curb the incidence of illegal dumping in the municipal area	Good Governance and Public Participation	Develop strategy on how to deal with illegal dumping. Strategy approved by Director on or before 30 Jun 2018	Date Strategy approved	Director Community Services and Social Services	NEW KPI	June 2017	Approved strategy 30 June 2018	30 June	Target achieved	None	Approved Plan		The municipality maintained is performance
TL 110	To curb the incidence of illegal dumping in the municipal area	Good Governance and Public Participation	Number of waste awareness campaigns conducted.	Sum of awareness sessions held	Director Community Services and Social Services	NEW KPI	NEW KPI	4	6	Target Achieved.	None	Attendance Registers.		New KPI therefore no comparison could be made.

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Table 38: Employees: Waste Management Services

Employees: Solid Waste Magement Services						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	1	1	1	0	0%
4 - 6	1	1	1	1	0	0%
7 - 9	0	0	0	0	0	0%
10 - 12	5	3	18	18	0	0%
13 - 15	22	20	73	73	0	0%
16 - 18	149	84	28	28	0	0%
19 - 20	0	0	0	0	0	0%
Total	178	109	121	121	0	0%
						T3.4.5

Table 39: Employees: Waste disposal and Other Services

Employees: Waste Disposal and Other Services						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	1	1	1	0	0%
4 - 6	3	1	1	1	0	0%
7 - 9	6	1	3	3	0	0%
10 - 12	7	1	4	3	1	25%
13 - 15	9	1	21	9	12	57%
16 - 18	11	32	19	9	10	53%
19 - 20	18	0	0	0	0	0%
Total	55	37	49	26	23	47%
						T3.4.6

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Table 40: Financial Performance 2017/18: Waste Management Services

Financial Performance 2017/18: Solid Waste Management Services						
R'000						
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	26 244	28 490	-29 765	38 949	9 184	424%
Expenditure:						
Employees	21 336	19 588	18 949	4 517	23 466	19%
Repairs and Maintenance	1 109	1 463	1 753	463	2 216	21%
Other	10 886	9 721	6 778	5 050	11 828	43%
Total Operational Expenditure	33 331	30 772	54 961	20 060	75 021	27%
Net Operational Expenditure	7 087	2 282	57 245	-28 919	28 326	-102%

Table 41: Financial Performance 2017/18: Waste Disposal and Other Services

Financial Performance 2017/18: Waste Disposal and Other Services						
R'000						
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	95	0	111	0	111	0%
Expenditure:						
Employees	248	4 977	5606	793	6 399	12%
Repairs and Maintenance	248	3 579	200	223	424	53%
Other	248	950	5119	1509	6 627	23%
Total Operational Expenditure	744	9 506	10925	2525	13 450	19%
Net Operational Expenditure	649	9 506	10814	2525	13 339	19%

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Table 42: Capital Expenditure: Waste Management Services

Capital Expenditure 2017/18: Waste Management Services					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	4 890	857	5 747	15%	0
Management and Maintenance of the Landfill Sites	4 890	857	5 747	15%	

COMMENT ON THE OVERALL PERFORMANCE OF WASTE MANAGEMENT SERVICES

To achieve the standards of the National Waste Management Act, 2008 (Act no. 59 of 2008) as amended, Refuse Removal is done according to a fixed weekly schedule. Every household and business is serviced at least once a week.

The three (3) top delivery areas are:

- Refuse collection

- Refuse transportation to landfill sites

- The maintenance of landfill sites

Street Cleansing in the Central Business District (CBD) areas is done according to a fixed daily schedule. The shift system which was introduced in the 2015/16 financial year is continuously showing improvements on the cleanliness of the Kroonstad CBD. Some businesses are failing to cooperate but through the By-laws enforcement the municipality is at the top of the game. Pending the approval of the reviewed structure, the Street Cleansing service will be extended to the shopping centres in the townships.

There is drastic improvement noticed at the Viljoenskroon/Rammolutsi and the Steynsrus/Matlwangtlwang landfill sites. Figure 1 shows the improvement at the Viljoenskroon/Rammolutsi landfill site.

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Figure 8: Noticeable improvement on the Viljoenskroon/Rammolutsi landfill site.

The road to the Kroonstad/Maokeng landfill site has been a challenge for quite some time and encouraged residents to resort to illegal dumping. The matter has since been resolved with cooperation from the Technical Services Public Works section. Figure 2 shows the repaired road to the Kroonstad/Maokeng landfill site.



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The Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA) has, in its endeavour to recognise and assist the Small, Medium and Macro-sized Enterprises (SMMEs), donated a bailing machine to one of the Recyclers in Kroonstad. Figure 3 shows the handover of the bailing machine by DESTEA.



The Kroonstad/ Maokeng landfill site has started reporting to the South African Waste Information Centre (SAWIC). The figure below is the screen shot indicating reporting from February to June 2018. Figure 4 is a screen shot of the information reported to SAWIC.

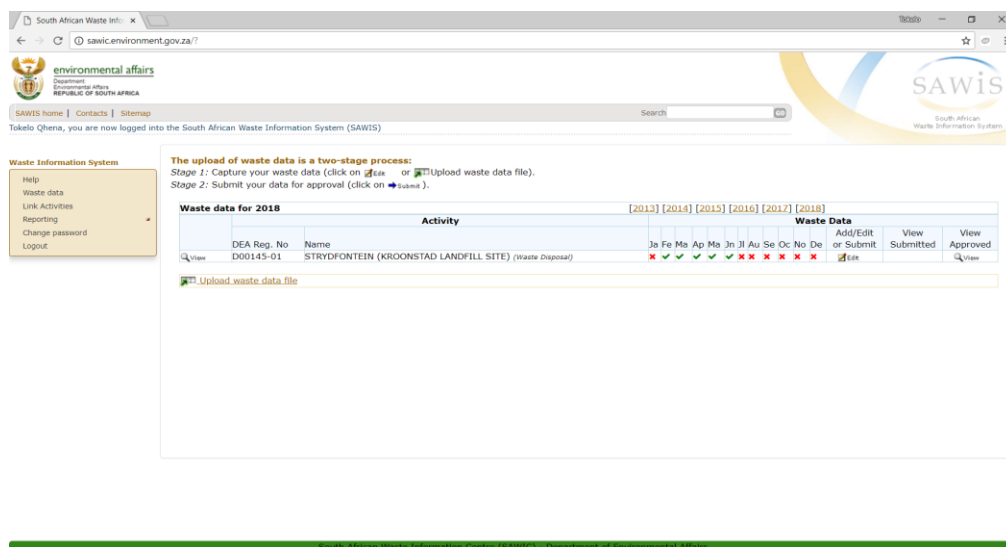


Figure 9: Screen shot of the computer screen showing information reported to SAWIC

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The refuse removal division makes sure that every household and business gets serviced on schedule at least once a week according to the National Norms and Standards. The informal settlements are also getting the refuse removal service. Instead of getting a kerb side removal service, they place their refuse at the end of the street for removal. With all the efforts from the municipality's side, the community does not stop with illegal dumping. Members of the community who get caught in action of illegal dumping or where there is sufficient evidence are issued with spot fines to the amount of R1 000.

3.5 HOUSING

INTRODUCTION TO HOUSING

Extensive development occurred in Moqhaka since 1990, houses were built, additional land was purchased, planned, pegged and infrastructure services were provided.

According to the Municipality's Housing Sector Plan (2006) the housing backlog for 1994/95 is 12960, this backlog is determined according to 1994/95 IDP, and is calculated in terms of the number of temporary structures erected on sites and informal backyard dwellers.

Since 1994 a total of 10195 houses (RDP) have been delivered which leaves the backlog without growth at 2765. Additional to the indicated backlog there are informal settlements in our area accommodating approximately 232 families.

The Moqhaka Municipality is not accredited by the National Department of Human Settlements and is therefore dependent on housing allocations made annually by the Free State MEC for Human Settlements. These allocations are funded administered by the Free State Department of Human Settlements.

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Table 43: Households - Access to basic housing

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
992011/12	30 239	28 473	94%
2012/13	30 469	29 687	97%
2013/14	31 520	31 347	99%
2014/15	31 520	31 347	99%
2015/16	32 794	32 544	99%
2016/17	32 794	32 544	99%
2017/18	33 391	33 159	99%

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Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Service Delivery

KPA: Local Economic Development

IDP Priority 5: Housing

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL19	To review the Housing Sector Plan.	LED & Planning	HSP reviewed and approved by Director on or before 31 May 2018.	HSP	Director LED	NEW KPI	0	31 May	0	Target not achieved due to procurement processes.	The Human Settlements Department has appointed a service provider to review the Housing Sector Plan as per the Accreditation Support Programme.	None		The municipality failed to achieve this target in the last two financial years.

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Table 44: Employees: Housing

Employees: Housing Services						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	1	1	1	1	100%
4 - 6	1	1	1	1	1	100%
7 - 9	1	1	1	1	1	100%
10 - 12	2	2	2	2	2	100%
13 - 15	0	0	0	0	0	0%
16 - 18	8	8	8	8	8	100%
19 - 20	0	0	0	0	0	0%
Total	13	13	13	13	13	100%

Table 45: Financial Performance: Housing

Financial Performance 2016/17: Housing Services						
R'000						
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	3 772	4 352	-	-	-	0%
Expenditure:						
Employees	3 881	4 430	4 341	464	5 367	19%
Repairs and Maintenance	-	-	-	-	-	0%
Other	201	5	57	47	27	-111%
Total Operational Expenditure	4 082	4 435	4 398	4 511	5 394	18%
Net Operational Expenditure	310	83	4 398	4 511	5 394	18%

Table 46: Capital Expenditure: Housing

Capital Expenditure 2017/18: Housing Services					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0

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3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality provides 6kl of water per household per month, free sanitation and refuse removal as well 50 units of electricity per indigent household per month.

The policy on the indigent households extends to the child headed families and any other households with circumstances that may be approved by the Municipality to try and alleviate the poverty the households find themselves in.

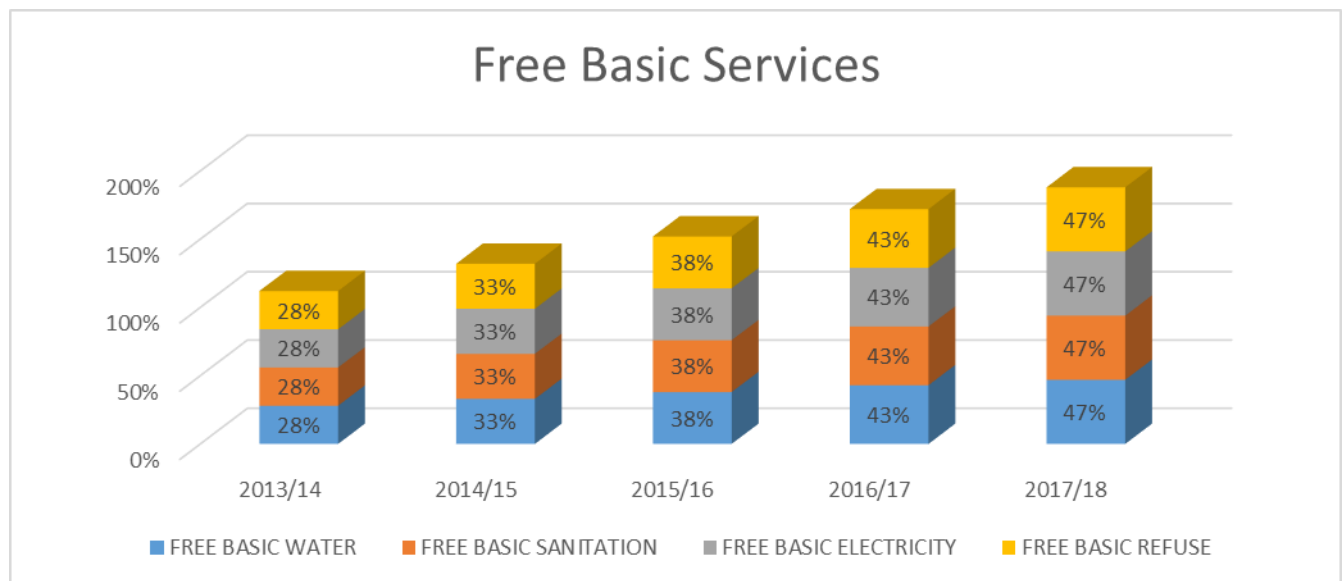


Figure 10: Free Basic Services

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Table 47: Free Basic Services

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R3,500 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
		Total	Access	%	0	%	Access	%	Access	%
2013/14	33 573	33 573	9 313	28%	9 313	28%	9 313	28%	9 313	28%
2014/15	31 520	31 520	10 494	33%	10 494	33%	10 494	33%	10 494	33%
2015/16	32 794	32 794	12 551	38%	12 551	38%	12 551	38%	12 551	38%
2016/17	32 794	32 589	14 145	43%	14 145	43%	14 145	43%	14 145	43%
2017/18	32 794	31 668	15 013	47%	15 013	47%	15 013	47%	15 013	47%

Table 48: Financial Performance: Free Basic Services

Financial Performance 2017/18: Cost to Municipality of Free Basic Services Delivered						
Services Delivered	2015/15	2016/17	2017/18			
	Actual	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	6 895	12 212	9 750	9 750	9 793	0,44%
Waste Water (Sanitation)	6 657	12 527	10 790	10 790	9 202	-17,25%
Electricity	7 229	9 283	9 185	9 185	7 695	-19,36%
Waste Management (Solid Waste)	5 732	8 114	8 567	8 567	11 588	26,06%
Total	26 514	42 136	38 293	38 293	38 279	-0,04%

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Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Service Delivery

KPA: Municipal Financial Viability

IDP Priority: Free Basic Services

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL6	To implement an effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	% of registered indigent Households that receive free basic services.	No. of households registered as indigent/Total Number of Households x100	Director Finance	NEW KPI	NEW KPI	≤30%	49%	Target Not Achieved due to the growing indigence register, and also the over consumption of the allocated subsidy	To closely monitor the indigent spending so that it is within the allocated limits.	Section 52(d) Report March 2018		New KPI therefore no comparison could be made.
TL 7	To implement and effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	% Rand value of free basic services to all indigent households as a percentage of equitable share.	Rand value of free basic services divided by the equitable share X 100	Director Finance	NEW KPI	NEW KPI	≤30%	28%	Target achieved	None	Section 52(d) Report March 2018		New KPI therefore no comparison could be made.
TL 8	To implement and effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	Rand value of free basic services to indigent households	Sum of value of free basics services(all services)	Director Finance	NEW KPI	NEW KPI	R45 968 179	R50 499 798	Target Not Achieved due to over consumption by indigent households with regards to the allocated subsidy.	To closely monitor the indigent spending so that it is within the allocated limits.	Section 52(d) Report March 2018		New KPI therefore no comparison could be made.

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COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Total number of indigent households increased from 14 145 in 2016/2017 to 15 013 in 2017/2018 financial year. Indigent households currently account for 47% of the total households in the Municipality pending verification. The Municipality endeavours to register poor and qualifying households on daily basis.

COMPONENT B: ROAD TRANSPORT

INTRODUCTION TO ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

INTRODUCTION TO ROAD TRANSPORT

Moqhaka Local Municipality is responsible for the maintenance and upgrading of roads in Kroonstad, Viljoenskroon and Steynsrus as indicated in the following table:

Table 49: Kilometre Roads in Moqhaka

TOWN	TAR ROADS (Km)	BRICK PAVING ROADS (Km)	GRAVEL ROADS (Km)	TOTAL ROAD LENGTH FOR EACH TOWN (Km)
KROONSTAD	228.67	28.596	159.63	416.896
VILJOENSKROON	40.678	20.414	129.062	190.154
STEYNSRUS	4.9	17.89	63.556	86.346
TOTAL	274.25	66.9	359.25	693.4 KM ROADS

3.7 ROADS

INTRODUCTION TO ROADS

The road strategy of Moqhaka Local Municipality is to maintain all roads in the municipal area as well as upgrade roads where and when needed. The Municipality is currently making use of the recently approved Road maintenance and renewal policy as guideline to ensure that the correct maintenance is

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done on the roads which are identified according to the policy. When materials are available the productivity of the road maintenance teams was above average and targets set out for them were achieved. Yellow machines are still a huge challenge for gravel road maintenance, but with good planning and proper supervising the targets set out to maintain gravel roads was reached

Table 50: Gravel Road Infrastructure

Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Kilometres Gravel roads graded/maintained
2013/14	373,7	0,0	7,8	251,0
2014/15	369,6	0,0	4,1	136,0
2015/16	329,0	0,0	2,6	509,0
2016/17	326,0	0,0	3,0	200,7
2017/18	359,3	31,4	1,9	409,0
T 3.7.2				

Table 51: Tarred Road Infrastructure

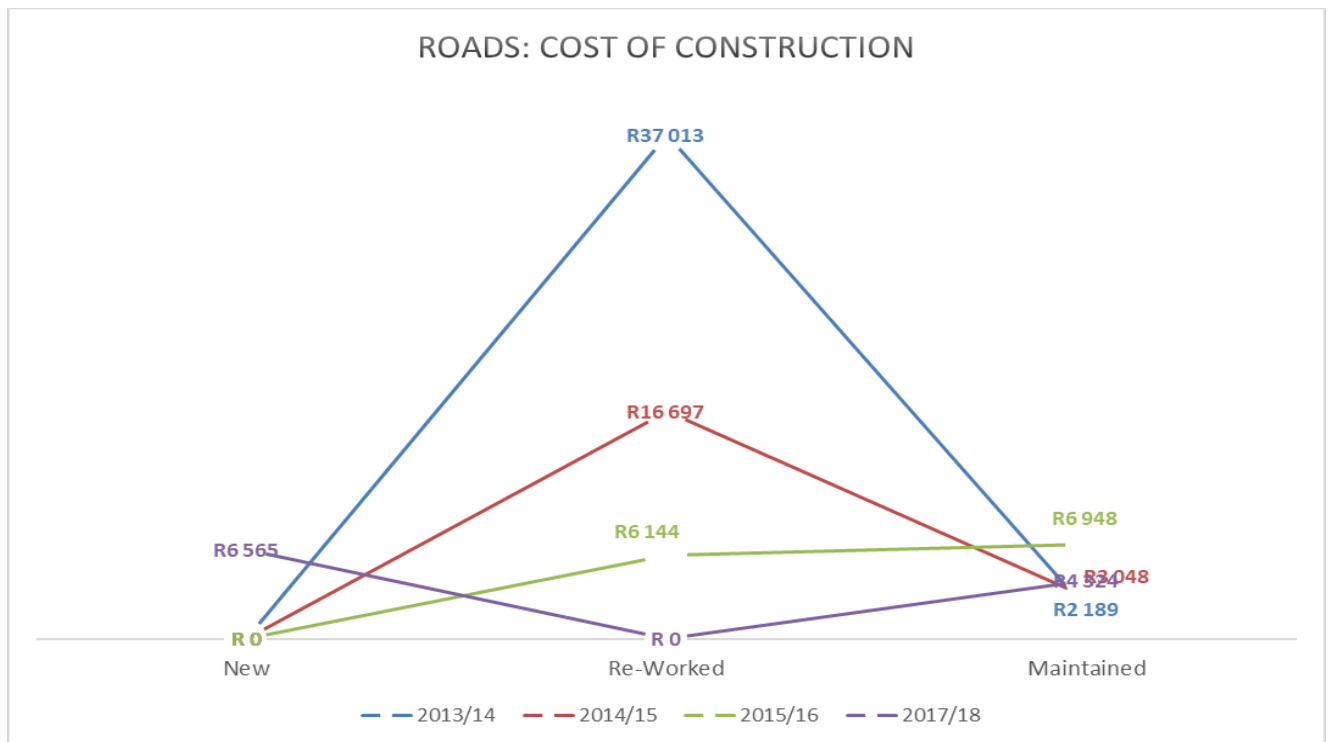
Tarred Road Infrastructure					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Kilometres Tar roads maintained
2013/14	465,2	7,8	0,0	0,0	418,0
2014/15	469,3	4,1	0,0	0,0	0,0
2015/16	287,0	2,6	0,0	1,6	287,0
2016/17	287,0	0,0	0,0	0,0	287,0
2017/18	274,3	0,0	4,0	0,0	603,9
T 3.7.3					

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Table 52: Cost of Construction/Maintenance

Cost of Construction/Maintenance						
R' 000						
	Roads			Tar		
	New	Re-Worked	Maintained	New	Re-worked	Maintained
2013/14	R0	R37 013	R2 189	0	0	1939
2014/15	R0	R16 697	R3 048	0	0	2618
2015/16	R0	R6 144	R6 948	0	0	0
2016/17	R0	R0	R7 558			0
2017/18	R6 565	R0	R4 324	0	0	604
T 3.7.4				T 3.7.4		

Figure 10: Roads: Cost of Construction/Maintenance



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Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Service Delivery

KPA: Basic Service Delivery and Infrastructure Investment

IDP Priority 3: Roads

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 135	By using the Roads and Storm water Maintenance Plan as building blocks towards the development for Roads and Storm water Master Plan	Basic Service Delivery	Approval and progress made towards developing Roads Master Plan. Approval by the Director)	Approved Roads Master Plan.	Director Technical Services	NEW KPI	NEW KPI	100%	100%	Target achieved.	None	Minutes of RRAMS meeting.		New KPI therefore no comparison could be made.
TL 136	By ensuring that tarred and paved roads are maintained and gravel roads are graded	Basic Service Delivery	km gravel roads maintained and or re-graveled	Sum of km roads maintained and or graveled	Director Technical Services	NEW KPI	160km	110Km	486.48km	Target Achieved	None	Technical Reports		The municipality increased its performance.
TL 137	By developing and implementing a maintenance programme specific to potholes	Basic Service Delivery	m² of potholes patched	Sum of m² of potholes patched	Director Technical Services	NEW KPI	29 030m²	25000km²	43247,79 m²	Target Achieved	None	Technical Reports		The Municipality increased its performance.
TL 138	By identifying and prioritizing access, connector and strategic roads to be developed	Basic Service Delivery	KMs of new paved roads to be built	Sum of km new paved roads built	Director Technical Services	NEW KPI	3.5km	3km	5,9km	Target achieved	None	Project completion certificates or technical reports		The municipality increased its performance.

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Table 53: Employees: Road Services

Employees: Road Services						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	1	1	1	0	0%
4 - 6	1	2	2	1	1	50%
7 - 9	4	4	17	3	14	82%
10 - 12	11	12	22	14	8	36%
13 - 15	1	23	17	15	2	12%
16 - 18	35	19	20	16	4	20%
19 - 20	0	0	54	4	50	93%
Total	53	61	133	54	79	59%

Table 54: Financial Performance: Road Services

Financial Performance 2017/18 Road Services						
						R'000
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	583	606	613	613	492	-25%
Expenditure:						
Employees	12 787	12 438	12 902	14 182	12 790	-1%
Repairs and Maintenance	12 660	10 184	14 142	12 642	6 724	-110%
Other	3 245	2 241	2 857	2 587	1 800	-59%
Total Operational Expenditure	28 692	24 683	29 901	29 681	21 314	-40%
Net Operational Expenditure	28 109	24 257	24 257	24 257	24 257	0%

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Table 55: Capital Expenditure: Road Services

Capital Expenditure 2016/17/18: Road Services					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	6 565	6 565	6 565	0%	0
Matlwangtlwang Upgrading of internal road and provision of stormwater	6 565	6 565	6 565	0%	

COMMENT ON THE PERFORMANCE OF ROADS OVERALL

All roads were visually inspected and reviewed on a GIS system by the RRAMS project which was funded by the district municipality. The program was used for planning of road maintenance.

During the 2017/18 Financials Year, one road in Matlwangtlwang was upgraded from an unpaved road to a paved road by implementing a project funded by MIG for the amount of R6 565 715.

Smaldeel road in Maokeng was upgraded by the Department of Police Roads and Transport, the cost of the upgrade amounted to R 21 530 725,56.

Challenges for road maintenance are as follows:

- Shortage of staff
- Shortage of Yellow machines
- Shortage of patching equipment
- Aged infrastructure

Business plans were prepared and submitted to sector departments for possible funding to upgrade unpaved roads to paved roads in the previously disadvantaged areas.

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A road upgrade and maintenance plan was submitted to council with the IDP and was approved by council.

Targets set out for road maintenance were reached and more roads were maintained as work was properly planned and supervised

3.8 TRANSPORT

The municipality does not perform this function.

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

The Municipal storm water network consists of the following types of storm water systems.

- 1) Underground storm water pipes
- 2) Open concrete V-channels
- 3) Open soil storm water channels

Challenges are a shortage of funds and equipment to address the backlogs.

Table 56: Storm water Infrastructure

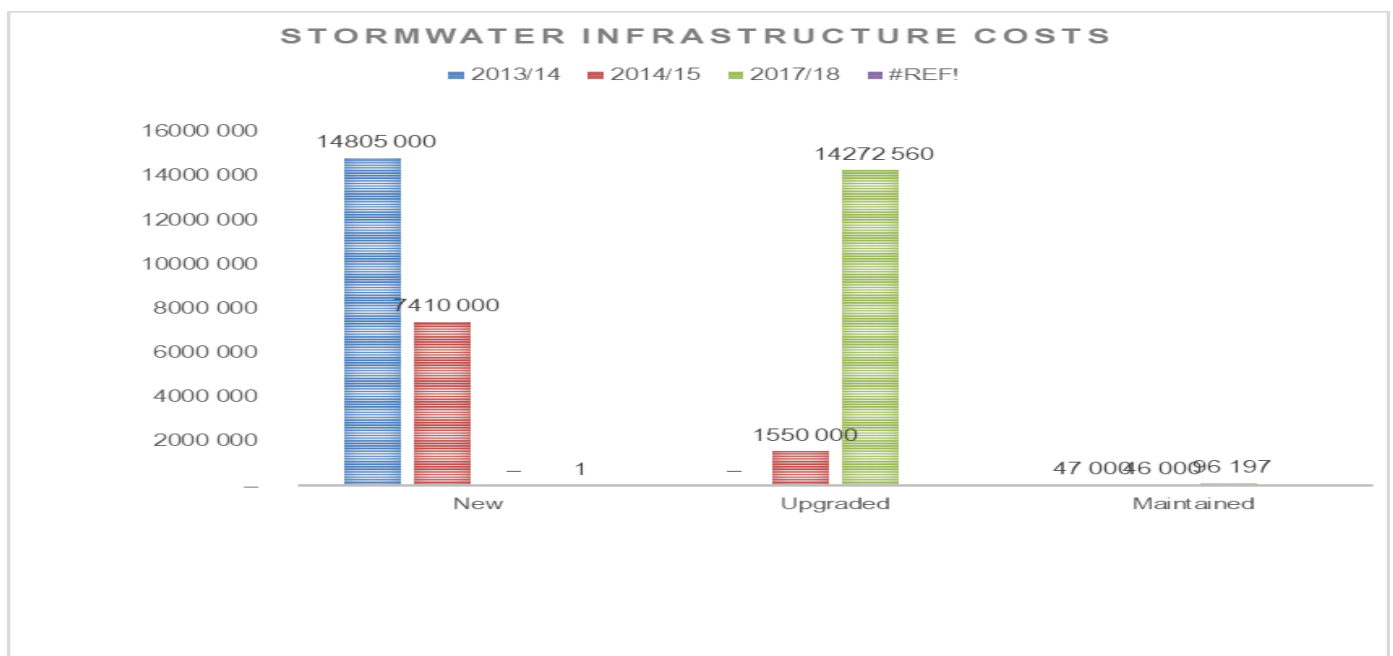
Stormwater Infrastructure				Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2013/14	461,0	7,0	7,0	0,3
2014/15	465,0	4,0	6,0	12,3
2015/16	469,0	2,6	0,0	3,7
2016/17	469,9	0,9	0,0	4,1
2017/18	470,8	0,0	0,9	4,1
				T 3.9.2

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Table 57: Cost of Storm water Construction/Maintenance

Cost of Construction/Maintenance				R' 000
	Stormwater Measures			
	New	Upgraded	Maintained	
2013/14	14 805	–	47	
2014/15	7 410	1 550	46	
2015/16	6 144	–	40	
2016/17	236	-	63	
2017/18	–	14 273	96	
				T 3.9.3

Figure 11: Storm water: Infrastructure Cost



Chapter 3

Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Service Delivery

KPA: Basic Service Delivery and Infrastructure Investment

IDP Priority 3: Storm water

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 139	By ensuring that newly built roads are built with storm water drainage and mobilize funding for rehabilitation, refurbishment and replacement of ageing infrastructure	Basic Service Delivery	Kms of storm water drainages built, rehabilitated, or replaced in addition to existing one	Sum of km storm water drainage installed in addition to current one	Director Technical Services	NEW KPI	1.118km	2km	3.4km	Target achieved.	None	Technical Report.		The municipality increased its performance.

Chapter 3

Table 58: Employees: Storm water Services

Employees: Road Services						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	Roads Services employees also perform the storm water function, Included in the Roads Services employees in table 53 above					0%
4 - 6						50%
7 - 9						82%
10 - 12						36%
13 - 15						12%
16 - 18						20%
19 - 20						93%
Total						59%

Table 59: Financial Performance: Storm water Services:

Financial Performance 2017/18: Storm Water Services						
R'000						
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	Included in table 54 above					
Expenditure:						
Employees						0%
Repairs and Maintenance						0%
Other						0%
Total Operational Expenditure						0%
Net Operational Expenditure						0%

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Table 60: Capital Expenditure: Storm water Services

Capital Expenditure 2017/18: Storm Water Services					
					R' 000
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	14 272	14 272	14 272	0%	0
Upgrading of Storm Water System and Channelling of Vlei Areas (Phase 1)	14 272	14 272	14 272	0%	

COMMENT ON PERFORMANCE OF STORMWATER DRAINAGE OVERALL

During the 2017/18 financial year the Technical Services Department did maintain the storm water network and upgrade an open soil storm water channel to a concrete lined channel to the cost of R 14 272 560 which was funded by MIG, but there are still some areas which needs urgent upgrades.

The municipality has submitted business plans to sector departments for possible funding to address the above mentioned backlogs.

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COMPONENT C: PLANNING AND DEVELOPMENT

INTRODUCTION TO PLANNING AND DEVELOPMENT

This component includes planning and local economic development.

3.10 PLANNING

INTRODUCTION TO PLANNING

The planning landscape in South Africa changed during 2013 with the promulgation of the Spatial Planning and Land Use Management Act, 2013 (No 16 of 2013). In terms of this Act Local Governments became and forthwith will be the authority of first instance and all development application must be considered on local level by the Municipal Planning Tribunal, whereas in the past this type of applications was considered by the provincial authorities. The Act was, however, only made effective with effect from 1 July 2015. No applications could, however, be received and/or considered before the Municipality's by-laws on Planning were in place. These by-laws were promulgated in the Provincial Gazette of 27 November 2015 and since then the new era of planning started in Moqhaka.

The Spatial Planning Department is striving to ensure that the long term planning of the Municipality caters for the development of the town along sustainable principles that will ensure that the Municipality not only grows in population, but also develops an economy that can sustain the growth in numbers.

In terms of the organisational structure approved by Council on 27 May 2015 the Building Survey Section was moved from Technical Services to, with the Planning Section, form part of the Spatial Planning Department. The three top priorities of the Spatial Planning Department are to (i) compile a Spatial Development Framework (SDF), which encapsulates the long term spatial vision of the Municipality, (ii) compile a Land Use Scheme (LUS), which governs the use of each parcel of land situated in the jurisdiction area of the Municipality and (iii) attend to building plans on a continuous basis so as to ensure the continuous growth and development of the Municipality.

Chapter 3

Drafts of both the SDF and LUS has been compiled and was public participated and will be submitted to Council for approval during the next year. In terms of the third priority the Department did perform well and will even perform better in the next year as additional human resources were obtained. Measures have been put in place to ensure that the Spatial Planning Department is further capacitated in terms of human resources as well as equipment to ensure it excels the coming year.

Table 61: Applications for Land Use Development

Applications for Land Use Development									
Detail	Formalisation of Townships			Rezoning			Built Environment		
	2015/16	2016/17	2017/18	2015/16	2016/17	2017/18	2015/16	2016/17	2017/18
Planning application received	N/A	N/A	N/A	3	2	21	235	235	267
Determination made in year of receipt	N/A	N/A	N/A	1	0	9	221	221	128
Determination made in following year	N/A	N/A	N/A	1	2	6	0	0	81
Applications withdrawn	N/A	N/A	N/A	1	0	6	14	14	58
Applications outstanding at year end	N/A	N/A	N/A	0	2	6	0	0	81

Chapter 3

Table 62: Employees: Urban Planning & Property Management

Employees: Urban Planning & Property Management						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	1	3	2	1	33%
4 - 6	0	1	2	0	2	100%
7 - 9	2	3	6	3	3	50%
10 - 12	0	0	0	0	0	0%
13 - 15	1	2	2	2	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	4	7	13	7	6	46%

Table 63: Financial Performance: Urban Planning & Property Management

Financial Performance 2017/18: Urban Planning & Property Management						
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(253)	(2 851)	(284)	(1 844)	(1 147)	75%
Expenditure:						
Employees	1 597	2 322	3 754	3 780	2 063	-82%
Repairs and Maintenance	63	798	4 205	3 234	368	-1043%
Other	178	4 853	462	388	99	-367%
Total Operational Expenditure	1 838	7 973	8 421	7 402	2 530	-233%
Net Operational Expenditure	2 091	10 824	8 705	9 246	3 677	-137%

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Table 64: Capital Expenditure 2017/18: Urban Planning & Property Management

Capital Expenditure 2017/18: Urban Planning & Property Management					
					R' 000
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	510	690	9	-5567%	0
Planning	77	257	9	-756%	
Building Survey	433	433	0	0%	
Project Name	0	0	0	0%	
Project Name				0%	

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

In terms of capital the Spatial Planning Department did not have any capital projects for the 2017/18 year.

In terms of operating expenditure of the Spatial Planning Department the variance between the budgeted amount and the actual expenditure is 37% and can mainly be attributed to maintenance to the buildings to the tune of R3 000 000 that could not be undertaken due to problems in respect of the cash flow of the Council and the agreement that was reached with ESKOM in respect of the repayment of the amount owed to them.

In terms of operating revenue, the variance (25%) was due to less building plans and development applications being received than what was estimated after the adjustment budget, but the revenue was still 4 times more than which was originally anticipated.

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3.11 LOCAL ECONOMIC DEVELOPMENT

INTRODUCTION TO ECONOMIC DEVELOPMENT

National Development Plan Vision 2030 envisages that the overwhelming majority of the new jobs in the next 20 years will be generated by “small and expanding firms. In South African, SMMEs have been shown to be at the heart of economic growth and job creation. However, recent studies show that South Africa does poorly on entrepreneurship. Entrepreneurs fail within the first two years’ due lack of adequate support, access to finance, access to markets, government bureaucracy, a lack of appropriate skills, and high cost of doing business.

Moqhaka Local Municipality, supported by different stake holders including DESTEA and SEDA held several workshops in the pursued to address some of the challenges listed above including shortened time-frames for the payment of SMMEs as a one of the strategy to eradicate poverty. Our June 2018 Youth Summit also highlighted and addressed challenges facing the youths. These challenges include lack of employment which if not addressed adequately, would translate in to Moqhaka being unstable. The summit resolved that in order to meet job creation targets and increase the employed population, significant focus should be placed on addressing the challenges of SMMEs and creating youth entrepreneurial culture.

COMMENT ON LOCAL JOB OPPORTUNITIES:

The Expanded Public Works Programme (EPWP) and Community Workers Programmes (CWP) are one of Moqhaka programmes which aims to provide poverty and income relief to unemployed Moqhaka residents through temporary work. The Council has been participating in the programmes by employing 274 workers on a temporary basis with the intention to transfer skills and also provide income. However, the Council needs review the current EPWP recruitment strategy in order to give all unemployed residents of Moqhaka an equal chance. The implementation of this revised strategy will essentially ensure that Council wins back the trust of communities and follow a credible process in handling EPWP job opportunities. They must be registered on a central database, with beneficiaries selected through an open system.

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Table 65: Jobs Created during 2017/18 by LED Initiatives

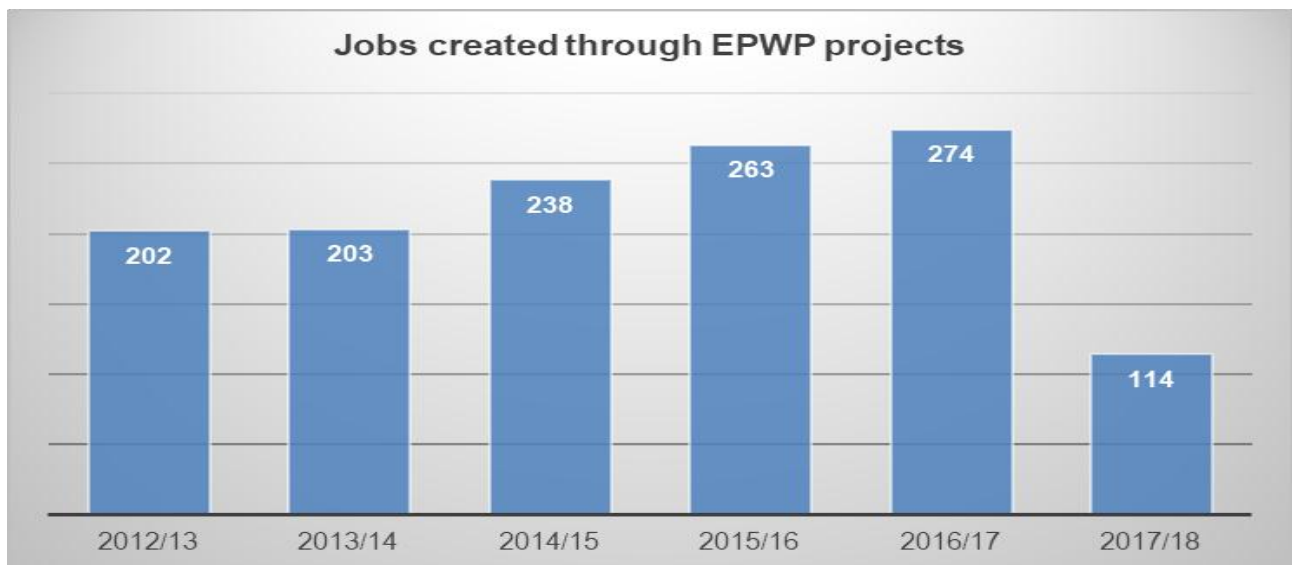
Jobs Created during 2017/18 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
2015/16	13	0	0	
2016/17	0	0	0	
2017/18	38	0	0	
Initiative A (2017/18)	0	0	0	
Initiative B (2017/18)	0	0	0	
Initiative C (2017/18)	0	0	0	

Table 66: Jobs Created through EPWP projects

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2012/13	5	202
2013/14	6	203
2014/15	10	238
2015/16	13	263
2016/17	10	274
2017/18	7	114

Figure 12: Jobs created through EPWP Projects

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Chapter 3

Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Service Delivery

KPA: Local Economic Development

IDP Priority 7: LED

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 115	Explore the potential for the tourism sector in creating sustainable jobs and income for communities	Local Economic Development	Develop Tourism master plan by December 2017.	Submit the draft of tourism plan by Dec 2017 and review annually	Director LED	NEW KPI	NEW KPI	1 Review Per Annum	0	Target not achieved.	KPI to be included in the SDBIP of the next financial year.	None		New KPI therefore no comparison could be made.
TL 116	To explore commercialization within the agriculture sector for optimum socio- economic benefits by the local communities.	Local Economic Development	Develop agricultural development plan and review annually by December 2017	Submit the draft of agricultural plan by December 2017	Director LED	NEW KPI	NEW KPI	31 Dec 2017	0	Target Not Achieved in quarter 2	KPI to be included in the SDBIP of the next financial year.	None		New KPI therefore no comparison could be made.
T 117	Provide support & capacity to existing and future SMMEs across targeted economic sectors i.e energy, agriculture, mining, tourism and government services	Local Economic Development	Establish SMME Forum to ensure participation by December 2017	SMME Forum established by Dec 2017	Director LED	NEW KPI	NEW KPI	31 Dec 2017	31 Dec 2017	Target achieved .	None	Agendas and Minutes of meetings		New KPI therefore no comparison could be made.
TL 118	Establishing a LED Forum comprising all key role-players in the area	Local Economic Development	LED Forum established	1 LED Forum	Director LED	NEW KPI	0	1	0	Target Not Achieved.	KPI will be included in the 2018/19 SDBIP	None		New KPI therefore no comparison could be made.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 119	Create an environment that promotes the development of the local economy and facilitate job creation.	Local Economic Development	Number of jobs created through the municipality's LED, EPWP and other initiatives (Reg. 796)	Sum of jobs created per year	Director LED	NEW KPI	NEW KPI	70	38	Target Not Achieved. 38 were appointed in the second quarter	There was no further allocation of funds from the Province to appoint the remaining 32.	appointment letters		New KPI therefore no comparison could be made.

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Table 67: Employees: LED Services

Employees: Local Economic Development Services						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	0	0	1	0	1	100%
4 - 6	0	1	6	1	5	83%
7 - 9	0	0	3	0	3	100%
10 - 12	0	0	0	0	0	0%
13 - 15	0	0	0	0	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	0	1	10	1	9	90%

Table 68: Financial Performance 2017/18: LED Services

Financial Performance 2017/18: Local Economic Development Services						
R'000						
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0	0%
Expenditure:						
Employees	0	612	670	706	543	-23%
Repairs and Maintenance	0	0	0	0	0	0%
Other	85	42	547	372	18	-2939%
Total Operational Expenditure	85	654	1217	1078	561	-117%
Net Operational Expenditure	85	654	1217	1078	561	-117%

Table 69: Capital Expenditure 2017/18: LED Services

Capital Expenditure 2017/18: Economic Development Services					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0
Project Name	0	0	0	0%	

Chapter 3

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Through its focus on participation, LED must create incentives and opportunities for partnership between local, private and public sector stakeholders including social and political groups. local stakeholders must work alongside regional, national governments and international organizations to realize a locality's economic potential, create jobs and eradicate poverty.

During the year under review, the council focus was improving storm water network and used R 14 272 560. An amount of R28 096 440 was also used to upgrade roads infrastructure in both Maokeng and Matlwangtlwang. These two projects created many job many of whom were youths.

The upgrading of our Electricity infrusture Section also addressed various challenges mainly relating to the high and medium voltage supply and reticulation and in the process improving quality and security of supply to our investors.

Chapter 3

COMPONENT D: COMMUNITY & SOCIAL SERVICES

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The libraries function has been transferred to the Provincial Government. The municipality only have the Civic Theatre. The Civic Theatre is a Community based Arts and Culture venue that promotes arts in its diversity in order to enhance social cohesion through cross cultural activities to advance tolerance and celebrate heritage.

3.12 CIVIC THEATRE, ARTS AND CULTURE

The Civic Theatre was built in 1973 and officially opened 12 June 1976 during the uprising of the youth.

It is situated 1000metres from the Central Business District. It has a capacity of six hundred and eighty-eight (688) in the auditorium and the multipurpose Allen Rautenbach Hall has a capacity of plus/minus three hundred (300) people seats including tables. The entertainment hall at the upper level with balcony could accommodate about thirty (30) people minimum for board room meetings and mini functions.

The Key Strategic objective of the Civic Theatre:

To promote arts and culture, music, drama/theatre, poetry, language in school in community partnership with the government departments and NGO's.

- ✓ Enhance social cohesion through arts and culture activities.
- ✓ Creating vibrancy within our locality to advance Tourism.
- ✓ Celebrate Heritage.

Chapter 3

Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Service Delivery

KPA: Community Development and Social Cohesion

IDP Priority 10: Arts and Culture

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comment
TL 90	To optimize community participation in Arts and Culture	Local Economic Development	Number of arts and culture activities and events held in the municipal area	Number of activities held	Director Community Services and Social Services	22	22	7	11	Target Achieved	None	Execution List and reports submitted to Council		The municipality over achieved the set target.
TL 91	To upgrade the existing facilities to for use by the community	Municipal Transformation and Institutional Development	Strategy for the upgrading of the Civic Theatre developed and approved by the Council on or before 31 Dec	Date strategy approved	Director Community Services and Social Services	NEW KPI	1	1	1	Target Achieved	None	None		The municipality maintained its performance
TL 92	To upgrade the existing facilities to for use by the community	Municipal Financial Viability and Management	Number of business plans developed for funding of the strategy for the upgrading of the Civic Theatre and submitted to donors on or before end of May	Sum of business plans approved and submitted	Director Community Services and Social Services	NEW KPI	3 plans developed and approved	3 plans developed and approved	3 plans developed and approved	Target Achieved	None	Business plans approved by Director and submitted to Donors		The Municipality maintained its performance

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Table 70: Employees: Civic Theatre

Employees: Civic Theatre						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0	0%
4 - 6	1	1	1	1	0	0%
7 - 9	1	1	1	1	0	0%
10 - 12	1	1	1	1	0	0%
13 - 15	0	0	0	0	0	0%
16 - 18	4	3	4	3	1	25%
19 - 20	0	0	0	0	0	0%
Total	7	6	7	6	1	14%

Table 71: Financial Performance: Civic Theatre

R'000						
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	113	150	144	144	152	5%
Expenditure:						
Employees	1 362	1 417	14 271	1 501	15 084	5%
Repairs and Maintenance	3	99	133	200	14 748	99%
Other	552	579				0%
Total Operational Expenditure	1 917	2 095	14 404	1 701	29 832	52%
Net Operational Expenditure	1 804	1 945	14 260	1 557	29 680	52%

Table 41: Capital Expenditure: Civic Theatre

Capital Expenditure 2017/18 : Civic Theatre					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0

Chapter 3

CIVIC THEATRE, ARTS AND CULTURE PERFORMANCE OVERALL

Achievements

*The Civic Theatre Division is continuously giving access for the theatre and the hall to all community members to utilised it for the variety of events and functions.

*The following activities are being held annually: - musical shows, prize giving, matric farewells, commercial functions, wedding functions, school choir festival, traditional/urban dance shows and Auditions.

Challenges

*The infrastructure that is dilapidated due to aging need total refurbishment of the whole Civic Complex.

*The roof is leaking and during the rainy seasons this affects the floor, Power Supply, Stage Floor and the equipment on stage.

*The Air-conditioning and the Fire Curtain are not functioning and the Fire Extinguishers have not been serviced since November 2004 and this is not in compliance with the Occupational Health and Safety Act, 1993 (Act 85 of 1983) and the insurance will not be liable to pay if there is a damage caused by Fire.

Measures to improve productivity

*The Strategic Business Plan have been developed and adopted by the Council and it is in line with the Integrated Development Plan.

*The Business proposal have been developed and sent to the private and public institutions to source funding for the upgrade and refurbishment of the Theatre.

*Review of the current organizational structure to ensure efficiency at the Theatre.

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3.13 PARKS AND CEMETERIES

INTRODUCTION TO PARKS AND CEMETERIES

It is the responsibility of the Parks division to provide healthy and aesthetical environment to the public, to upgrade the current developed parks and to develop new parks for informal recreation. It is of aesthetical importance to maintain cemeteries and to provide graves for funerals. Moqhaka is rich on historical cemeteries and by keeping it clean and to upgrade it from time to time can promote tourism. Due to global warming it is necessary to promote the causes and impact thereof and to plant as many trees as possible. It is also of most importance to remove invasive plants to prevent the exhausting of our water sources.

CORE AREAS OF RESPONSIBILITY

- Public Parks and open spaces
- Cemeteries
- Biodiversity with regard to planting of trees and controlling of invasive plants

LOCAL JOB OPPORTUNITIES

The municipality is making use of EPWP and CWP employees for the cleaning of the cemeteries.

SERVICE STATISTICS FOR PARKS AND CEMETERIES

SERVICE OBJECTIVES	SERVICE TARGETS	2014/15	2015/16	2016/17	2017/18
To maintain parks and open spaces according to a plan.	8 x The cutting of grass every second week on developed/irrigation parks.	100%	100%	100%	100%
	15 x cutting open spaces every fourth week	100%	100%	100%	100%
	Urban greening: 50 trees per town	100%	10%	50%	50%
	Implementation of in service training to improve skills and developed staff on street tree maintenance and mowing equipment.	100%	100%	100%	100%
	To provide adequate equipment for the maintenance and watering of urban greening.	25%	0%	50%	50%
	2 x developing of water wise landscaping areas	100%	0%	20%	20%
Cemeteries	The maintenance of 4 x operational cemeteries	100%	100%	100%	100%
	Enforce the by-laws on illegal dumping and public participation to the community.	25%	100%	100%	100%

+

Chapter 3

Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Service Delivery

KPA: Community Development and Social Cohesion (Service Delivery)

IDP Priority 13: Parks and Cemeteries

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comment
TL 93	Removing of invasive plants as scheduled in the Biodiversity Act.	Service Delivery	Establishment of a Bio-Diversity Unit to serve all three the towns by June 2018.	Unit established on the organogram	Director Community Services and Social Services	NEW KPI	NEW KPI	Unit established by June 2018	Unit established by June 2018	Target Achieved in the third quarter.	None	Quarterly Report Council Resolution	New KPI therefore no comparison could be made.
TL 94	Expansion of cemeteries	Service Delivery	Number of expansion of cemeteries	Sum of cemeteries expanded	Director Community Services and Social Services	NEW KPI	NEW KPI	2	0	Target not achieved due to budget constraints.	Provide budget in the next financial year	None	New KPI therefore no comparison could be made.
TL 95	Effective maintenance of cemeteries	Service Delivery	Fencing of cemeteries	Sum of fencing of cemeteries	Director Community Services and Social Services	NEW KPI	NEW KPI	1	0	Target not achieved due to budget constraints.	Provide budget in the next financial year	None	New KPI therefore no comparison could be made.
TL 96	Effective maintenance of cemeteries	Service Delivery	Number of ablution blocks at cemeteries developed and upgraded	Sum of ablution facilities at cemeteries developed and upgraded	Director Community Services and Social Services	NEW KPI	NEW KPI	1	0	Target not achieved due to budget constraints.	Provide budget in the next financial year	None	New KPI therefore no comparison could be made.

Chapter 3

Table 73: Employees: Parks and Cemeteries

Employees: Parks and Cemeteries						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	1	1	1	1	100%
4 - 6	2	2	0	1	-1	0%
7 - 9	0	3	3	5	-2	-67%
10 - 12	5	2	13	9	4	31%
13 - 15	12	11	59	43	16	27%
16 - 18	26	63	54	17	37	69%
19 - 20	38	0	0	0	0	0%
Total	84	82	0	0	55	0%
						<i>T 3.13.4</i>

Table 74: Financial Performance: Parks and Cemeteries

Financial Performance 2017/18: Parks and Cemeteries						
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	992	986	1046	1046	1097	17%
Expenditure:						
Employees	12 270	15 191	15 085	15 085	18 090	9%
Repairs and Maintenance	1 097	1 238	3 084	3 084	1 351	-128%
Other	1 150	1 095	–	–	–	0%
Total Operational Expenditure	14 517	17 523	18 169	18 477	19 441	7%
Net Operational Expenditure	13 525	16 537	18 168	18 476	19 440	7%

Table 75: Capital Expenditure: Parks and Cemeteries

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Capital Expenditure 2017/18 : Parks and Cemeteries					R' 000
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0
Project Name				0%	
Project Name				0%	
Project Name				0%	
Project Name				0%	
					T2.13.6

COMMENT ON PARKS AND CEMETERIES PERFORMANCE OVERALL

PARKS AND CEMETERIES: TO HIGHLIGHT THE CORE FUNCTIONS OF THE SECTION

CLEANING CAMPAIGNS

- Special cleaning campaigns were arranged through the year and the following places were cleaned from time to time:
- Subway in Cross street;



Chapter 3

CLEANING OF CEMETERIES



Rammulotsi Cemetery



Seeisoville After work



section 8 after work
10 Jan 2018 16:14:28

3.14 SPECIAL PROGRAMMES

INTRODUCTION TO SPECIAL PROGRAMMES

Chapter 3

The special programmes are the activities and/or assistance the office of the executive mayor may decide to undertake and this also include campaigns either local, provincial and national

SERVICE STATISTICS FOR SPECIAL PROGRAMMES

Number of programmes on youth participated in/held:	7
Number of programmes on women participated in/held:	5
Number of programmes on disabled participated in/held:	5
Number of programmes on children participated in/held:	13
Number of programmes on HIV/AIDS participated in/held:	20

***Note:** Employees of special programmes are included under Executive and Council.

****Note:** Financial performance information for special programmes is included under Executive and Council.

COMMENT ON THE PERFORMANCE OF SPECIAL PROGRAMMES OVERALL

The performance of special programme has been able to make difference to the members of the community whom were assisted. This program for it to be successful we needed to make it inclusive to all that is total municipal administration is required to be programmed. The policy development will be a necessity to deal with this program

COMPONENT E: ENVIRONMENTAL PROTECTION

INTRODUCTION TO ENVIRONMENTAL PROTECTION

Top priority of the municipality is to formulate policies and procedures aimed at conserving the natural resources, preserving the current state of natural environment and where possible, reversing its degradation.

SERVICE STATISTICS FOR ENVIRONMENTAL PROTECTION

Chapter 3

Environmental master plan to be submitted to council before the implementation takes place.

3.15 POLLUTION CONTROL

The Municipality does not perform the above functions

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

This function is part of parks and cemeteries in the municipality.

BIODIVERSITY



Chapter 3

COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections. The Municipality does not perform the above function.

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

3.17 SECURITY SERVICES

Security Services' mandate is derived from Chapter 7 of the Constitution of the Republic of South Africa, 1996 (Act No.108 of 1996). The department has functions to develop security related policies and procedures for the Council and monitor the implementation of the following:

- Security policy
- Vetting policy
- Fraud/corruption policy
- Access and key control procedure
- Utilization of Council vehicle procedure

VISION

To be a united, non-racial, transparent, responsive development and efficient municipality that renders sustainable services, so as to improve the quality of life in the community.

MISSION

Working effectively with all stakeholders to serve the people of Moqhaka Municipality through:

Ensuring a safe, secure and healthy environment;

VALUES

Chapter 3

As a Division we have committed ourselves to set standards and values. These standards and values are the foundation by which we deliver our services and interact with one another on a personal and professional level. Respect for the individual, employees and the public, first rate public service; and organizational excellence; and integrity.

Each of us must be committed to ensure that these values and standards are practiced daily and that they provide the framework and principles by which we function as a department. Nothing less will be acceptable.

GOAL

Actively assist the SAPS in the reduction of crime levels in Moqhaka Municipal jurisdiction.

Municipal Security Service Data			
	Details	2016/17	2017/18
1	Number of key points visited	18 401	19985
2	Number of by-law infringements attended	147	276
3	Number of Security Officers in the field on an average day	±8	6
4	Number of Security Officers on duty per day	±8	6

Chapter 3

Municipal Scorecard Perspective: Service Delivery

KPA: Community Development and Social Cohesion

IDP Priority 13: Security

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 103	Improve Community Safety within Moqhaka local municipality through functional partnerships for effective Crime Prevention.	Good Governance and Public Participation	Number of functional partnerships established for crime prevention.	Sum of partnerships established.	Director Community Services and Social Services	NEW	NEW KPI	2	2	Target Achieved	None	Sum of partnerships established.		New KPI therefore no comparison could be made.
TL 104	Installation of CCTV Cameras at identified strategic crime hotspots.	Good Governance and Public Participation	Number of new CCTV Cameras installed at identified strategic hotspots for crime.	Sum of new CCTV Cameras installed.	Director Community Services and Social Services	NEW KPI	NEW KPI	2	1	Target not achieved due to cash flow problem	None	None		New KPI therefore no comparison could be made.

Chapter 3

Table 76: Employees: Security Services

Employees: Security Services						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	0	1	1	1	0	0%
4 - 6	1	2	5	2	3	60%
7 - 9	8	6	2	4	0	0%
10 - 12	6	5	22	6	16	73%
13 - 15	8	7	34	7	22	65%
16 - 18	0	3	0	3	0	0%
19 - 20	0	0	0	0	0	0%
Total	23	24	64	23	41	64%

Table 77: Financial Performance: Security Services

Financial Performance 2017/18: Security Services						
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-				0%
Expenditure:						
Employees	5 402	6 805	4 413	2 433	9 281	52%
Repairs and Maintenance	282	118	285	671	2 405	88%
Other	25 332	21 677	26 106	32 526	25 505	-2%
Total Operational Expenditure	31 016	28 600	30 804	35 630	37 191	17%
Net Operational Expenditure	31 016	28 600	30 804	35 630	37 191	17%

Chapter 3

Table 78: Capital Expenditure Security Services

Capital Expenditure 2017/18: Security Services					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0
Project Name	0	0	0	0%	
Project Name	0	0	0	0%	
Project Name	0	0	0	0%	

COMMENT ON THE PERFORMANCE OF SECURITY SERVICES OVERALL:

As Security Services our fundamental duties are to protect employees, Councillor's, Council property and to serve the community, safeguard lives and property, protecting the peaceful against violence and disorder; and to respect the constitutional rights of all persons as to liberty, equality and justice. Currently the Security Services is not sufficient enough because of the lack of man power and equipment such as roadworthy patrol vehicles.

As Security Services our fundamental duties are to protect employees, Councillor's, Council property and to serve the community, safeguard lives and property, protecting the peaceful against violence and disorder; and to respect the constitutional rights of all persons as to liberty, equality and justice.

Currently the Security Services is not sufficient enough because of the lack of man power and equipment such as roadworthy patrol vehicles.

Chapter 3

3.18 TRAFFIC SERVICES

To provide an effective traffic service to substantially reduced the number of road traffic accident injuries and deaths on all roads within the area of Jurisdiction of Moqhaka Local Municipality.

To actively promote traffic safety, order and mobility by maintaining committed goals directed law enforcement, traffic control and conduct public information and road safety awareness programs.

SERVICE STATISTICS FOR TRAFFIC SERVICES

Table 79: Service Statistics: Traffic Services

Traffic Service Data					
	Details	2015/16	2016/17	2017/18	2018/19
		Actual No.	Actual	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	1 169	690	688	650
2	Number of by-law infringements attended	10 504	12 404	13 338	14 000
3	Number of police officers in the field on an average day	23	21	21	21
4	Number of police officers on duty on an average day	18	17	18	18

Chapter 3

Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Municipal Development

Municipal KPA: Community Development and Social Cohesion (Service Delivery)

IDP Priority 12: Traffic Law Enforcement

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		
TL 101	Draft and submit By-Laws to Council for approval and implementation	Service Delivery	Number of by-law enforcement operations held.	Sum of all events held.	Director Community Services and Social Services	NEW KPI	5	8	22	Target Achieved	None	Date events were held and No. of violations issued		The municipality improved its performance.
TL 102	To ensure provision of an effective and efficient law enforcement service to increase public safety.	Service Delivery	Number of fines issued against law transgressors.	Sum of tickets issued to transgressors .	Director Community Services and Social Services	10 545	5 243	4400	14 436	Target Achieved	None	Revenue reports from financial system		The municipality increased its performance compared to the previous financial year.
TL 105	To provide and effective and efficient Traffic Law Enforcement Service to the residents of Moqhaka Local Municipality in collaboration with other stakeholders.	Service Delivery	Number of law enforcement operations conducted	Sum of all events held.	Director Community Services and Social Services		NEW KPI	592 per annum	252	Target Not Achieved. The target set was unrealistic.	Set a realistic target in the financial year.	Date events were held and No. of violations issued		New KPI therefore no comparison could be made.

Chapter 3

Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Municipal Development

Municipal KPA: Community Development and Social Cohesion (Good Governance)

IDP Priority 12: Traffic Law Enforcement

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		
TL 106	To conduct Road Safety Education and Communication Campaigns within Moqhaka Local Municipality in collaboration with the Free State Department of Police Roads and Transport.	Good Governance and Public Participation	No of road safety Education and communications campaigns conducted	Sum of all events held	Director Community Services and Social Services	NEW KPI	NEW KPI	4	8	Target Achieved	None	Date events were held and attendance registers		New KPI therefore no comparison could be made.

Chapter 3

Table 8042: Employees: Traffic Services

Employees: Traffic Services						
Job Level	2015/16	2017/18	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	1	1	1	0	0%
4 - 6	2	2	2	2	0	0%
7 - 9	8	6	4	3	1	25%
10 - 12	8	6	28	4	24	86%
13 - 15	14	13	16	11	5	31%
16 - 18	6	6	6	5	1	17%
19 - 20	0	0	0	0	0	0%
Total	39	34	57	26	31	54%

Table 81: Financial Performance: Traffic Services

Financial Performance 2017/18: Traffic Services						
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2 478	368	2 663	2 666	491	-442%
Expenditure:						
Employees	8 765	9 192	8 426	9 285	9 177	8%
Repairs and Maintenance	343	194	270	292	223	-21%
Other	1 283	361	847	697	532	-59%
Total Operational Expenditure	10 391	9 747	9 543	10 274	9 932	4%
Net Operational Expenditure	7 913	9 379	6 880	7 608	9 441	27%

Chapter 3

Table 82: Capital Expenditure: Traffic Services

Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Project Name	0	0	0	0	
Project Name	0	0	0	0	

COMMENT ON TRAFFIC SERVICE PERFORMANCE OVERALL

Eight Traffic Wardens were send to be trained as Traffic Officers at the Matjhabeng Traffic Training College.

- * Traffic Management issued a total of 13 338 fines.
- * Except from their normal duties 240 roadblocks were conducted of which some included the South African Police Service, Provincial Traffic and Road Safety.
- * An assault case was opened against an offender who did not want to co-operate.
- * Dockets were opened for driving under the influence.
- * Traffic Management received a letter of appreciation for assisting the South African Police Service for arresting five people for cable theft as well as recovering a firearm that was stolen in Welkom.

Chapter 3

3.19 FIRE

INTRODUCTION TO FIRE SERVICES

Fire Services in the Republic of South Africa and in particular in Moqhaka are regulated in terms of National Legislation. The top priorities as defined in the Fire Brigade Services Act, 1987 (Act 99 of 1987), are as follows:

- (a) preventing the outbreak or spread of fire;
- (b) fighting or extinguishing fire;
- (c) the protection of life or property against fire or other threatening dangers;
- (d) the rescue of life or property from fire or other dangers;

SERVICE STATISTICS FOR FIRE SERVICES

Table 83: Service Statistics: Fire Services

Fire Service Data						
	Details	2015/16	2016/17	2017/18		2018/18
		Actual No.	Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	139	104	140	209	190
2	Total of other incidents attended in the year	214	191	146	134	160
3	Average turnout time - urban areas	15 min	15 min	15 min	15	15
4	Average turnout time - rural areas	60 min	60 min	60 min	60	60
5	Fire fighters in post at year end			31	31	31
6	Total fire appliances at year end	1	1	1	1	1
7	Average number of appliance off the road during the year	2	2	2	2	2

Average turnout time within built-up area falls within accepted standards but the average attendance times for rural areas do not fall within accepted standards.

Chapter 3

Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Municipal Development

Municipal KPA: Community Development and Social Cohesion

IDP Priority 15: Fire fighting

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		
TL 99	To provide professional fire service within Steynsrus/Matlwangtlwang and Viljoenskroon/Rammulotsi	Good Governance and Public Participation	Number of Business Plans submitted to both the District Municipality and Free State Province to request funding for establishment of fire station	Sum of business plans submitted	Director Community Services and Social Services	NEW KPI	NEW KPI	2 Per Annum	0	Target not achieved. Plans were submitted but no funding as received.	Submit business plans to the Province and District in the next financial year.	Proof of submission		New KPI therefore no comparison could be made.
TL 100	To provide an effective and efficient fire service in Moghaka to ensure community safety.	Good Governance and Public Participation	Number of premises inspected for fire safety and compliance	Sum of premises inspected for fire safety and compliance	Director Community Services and Social Services	100	153	120	202	Target Achieved	None	List of premises inspected and signed by owner of premises		The municipality increased its performance.

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		
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Chapter 3

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		
TL 98	To ensure that the municipality have an approved Disaster Management Plan for implementation in the event of such a disaster occurring	Good Governance and Public Participation	Disaster Management Plan for the municipality reviewed and approved by the Provincial Disaster Management Committee on or before 30 Jun 2018 and annual review of DMP	Date DMP approved	Director Community Services and Social Services	NEW KPI	0	Annual Review 30 June 2019	0	Target not achieved. The Disaster Management forum will be revived in the financial year.	Revive Disaster Management Forum	None		No improvement made by the municipality in terms of the KPI.

Chapter 3

Table 84: Employees: Fire Services

Employees: Fire Services						
Job Level	2015/16	2016/17	2017/18			
Fire Fighters	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	No.	%
Chief Fire Officer & Deputy	1	1	1	1	1	100%
Other Fire Officers	5	5	5	5	0	0%
0 - 3	1	1				0%
4 - 6	5	5				0%
7 - 9	12	11	12	12	2	17%
10 - 12	21	20	19	19	0	0%
13 - 15	0	0				0%
16 - 18	0	0	4	4	0	0%
19 - 20	4	4				0%
Total	49	47	41	41	3	7%

Table 85: Financial Performance: Fire Service

Financial Performance 2017/18: Fire Services						R'000
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	984	700	15 416	11 844	568	0%
Expenditure:						
Employees	11 611	12 899	11 053	7 426	7 369	-50%
Repairs and Maintenance	850	314	919	955	1 201	23%
Other	1 039	495	552	396	194	-185%
Total Operational Expenditure	13 500	13 808	12 524	8 777	8 764	-43%
Net Operational Expenditure	12 516	18 008	(2 892)	(3 067)	8 764	133%

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Table 86: Capital Expenditure: Fire Service

Capital Expenditure 2017/18: Fire Services					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0
Project Name	0	0	0	0%	

COMMENT ON FIRE SERVICE PERFORMANCE OVERALL

Preventing the outbreak or spread of fire is seen as the first priority of the Fire Service. To accomplish this priority Fire Safety is of the utmost importance. Fire Safety is done through scrutiny of building plans for new buildings or structures as well as additional building work performed on buildings, structures and premises. Fire service By-Laws were approved by Council and were Community Participation done. Promulgation will be done very soon. During the past year the following inspections were done in order to create a safer community for all residence:

Inspection done	Total
Building premises	188
Premises for the handling of Flammable Liquids and Gasses	24
Building plans	215
Grand Total	427

Firefighting and extinguishment of fires could only be accomplished partly as a result of insufficient machinery and equipment. Further to that there is no infrastructure and facilities in the outskirt towns of Steynsrus/Matlwangtlwang and Viljoenskroon/Rammulotsie. The lack of Fire Services in the outskirt towns results in an extremely high response time of up to sixty (60) minutes from Head Quarters in Kroonstad. This response time is even higher when incidents on the border with Northwest have to be attended to. In order to address this challenge Council has already placed an order with an accredited service provider to manufacture a major Fire engine for Moqhaka.

Chapter 3

The Fire Service responded to a total of three hundred and forty-three (343) calls for assistance which ranged from building fires - formal and informal, motor vehicles, rescue operation and entrapments to good intent (pot of food left on stove).

Community awareness programmes were done for schools ranging from crèches, pre-primary, primary and high schools. Awareness programmes amount to six (6) with approximately five hundred and thirty-two (532) school children and community members in attendances



The Fire Service also participates in community programmes together with the South African Police Services (SAPS) such as the Sixteen Days of Activism against abuse of women and children.

A joint operation was also conducted in conjunction with Fezile Dabi District Municipality for the farming community.

The Fire Service participate in forums such as GOCOC where role players such as South African Police Services (SAPS), South African Defence Force (SANDF), Provincial Traffic Services, Local Traffic Services, Department of Justice and other non-governmental organizations are present. Moqhaka Fire Service forms part of the Fezile Dabi District Municipality Chief Fire Officers forum. Fire Service also forms an integral part of the Joint Operational Centre (JOC) where all fuel depots and National Key Points (NKP) are represented.

Chapter 3

During the year under review Moqhaka Fire Service responded together with other diverse role-players to a major incident, Shosholoza Mail train accident. The service also attended to incident involving assets (buildings) of the municipality when these assets were deliberately set alight.



3.20 OTHER (DISASTER MANAGEMENT & OTHER)

INTRODUCTION TO DISASTER MANAGEMENT

The Amendment on the Disaster Management Act 57 of 2002 implies that the Local Municipalities should have their own fully fledged Disaster Management Centre together with the dedicated staff whom will be responsible for the Disaster Management operations.

Table 87: Service Statistics for Disaster Management

In the timeframe involved there were no Disasters declared

Chapter 3

Table 8843: Employees Disaster Management

Employees 2017/18: Disaster Management						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0	0%
4 - 6	0	0	0	0	0	0%
7 - 9	0	0	0	0	0	0%
10 - 12	0	0	0	0	0	0%
13 - 15	0	0	0	0	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	0	0	0	0	0	0%

Table 89: Employees: Call Centre

Employees 2017/18: Call Centre						
Job Level	2015/16	2016/17	'2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0	0%
4 - 6	0	0	0	0	0	0%
7 - 9	0	0	1	1	0	0%
10 - 12	7	9	10	9	1	10%
13 - 15	0	0	0	0	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	7	9	11	10	1	9%

Chapter 3

Table 90: Financial Performance: Disaster Management

Financial Performance 2017/18: Disaster Management						
R'000						
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0	0
Expenditure:	0	0	0	0	0	0
Employees	0	0	0	0	0	0
Repairs and Maintenance	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Operational Expenditure	0	0	0	0	0	0
Net Operational Expenditure	0	0	0	0	0	0

Table 91: Financial Performance: Call Centre

Financial Performance 2017/18: Call Centre						
R'000						
Details	'2015/16	'2016/17	2017/18			
	Actual		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-				0%
Expenditure:						
Employees	2 305	2 725	2 931	2 857	2 292	-28%
Repairs and Maintenance	2	-	5	5	1	-400%
Other	22	74	554	554	2	-27600%
Total Operational Expenditure	2 329	2 799	3 490	3 416	2 295	-52%
Net Operational Expenditure	2 329	2 799	3 490	3 416	2 295	-52%

Table 92: Capital Expenditure 2017/18: Disaster Management

Capital Expenditure 2017/18: Disaster Management					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0

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Table 93: Capital Expenditure: Call Centre

Capital Expenditure 2017/18: Call Centre					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
No capital projects for the year under review.					

COMMENT ON DISASTER MANAGEMENT PERFORMANCE OVERALL

Challenges facing the performance of Disaster Management is staff shortage and lack of equipment. Although this has placed a strain on the municipality all incidents where the community was affected due to blown off roofs, or houses being flooded by heavy rains were all attended and assistance given to affected inhabitants.

As a proactive measure to address the various challenges such as lack of capacity, inadequate budget allocation, inadequate information dissemination, delayed recovery, lack of community participation etc, a post of Disaster management co-ordinator was advertised will appointment be done in the near future.

The Department of Cooperative Governance and Traditional Affairs (CoGTA) assisted the municipality with training the Councilors of the municipality

Chapter 3

COMPONENT H: SPORT AND RECREATION

Details	Actual	Comments
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3.21 SPORT AND RECREATION

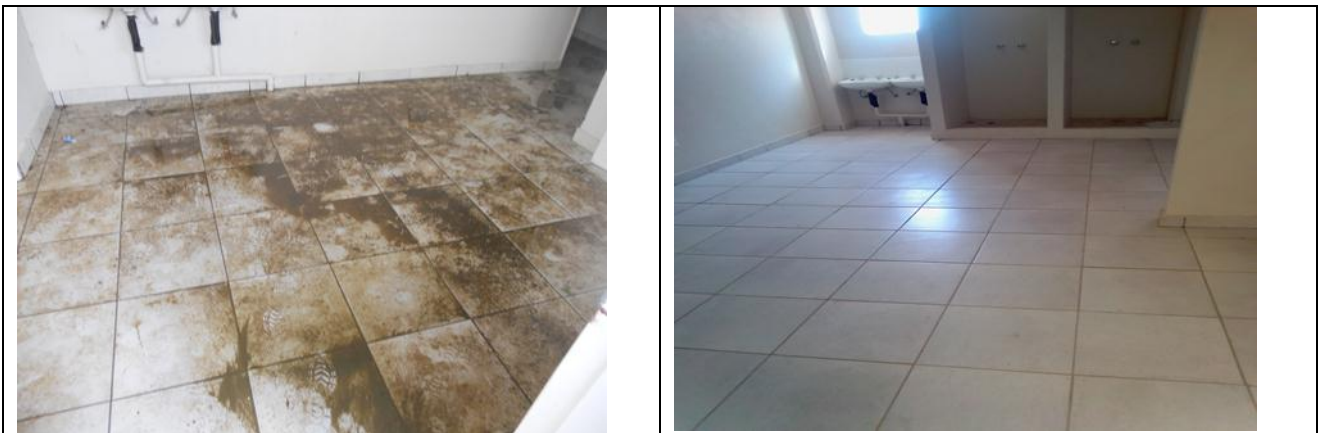
INTRODUCTION TO SPORT AND RECREATION

Overview

The Sport and Recreation division is mainly responsible for the upgrading and development of sports facilities which comply with national and international standards, with the exclusive purpose of developing the different sporting codes. In Moqhaka the sport facilities are in a very poor condition which led the community members to lose interest in sport. It is the Municipality's responsibility to provide sport and recreation facilities to community members. The biggest challenge is the allocation of funds for sport.

Strategic Objective

Upgrade and development of sport at indoor and outdoor facilities to promote sport all year round.



Before and after pictures of the Brentpark stadium after heavy rain

Chapter 3

Number of informal sports fields maintained to a higher standard for practising various sporting codes	20 informal sports fields in identified areas	Communities within the Moqhaka jurisdictions identify different areas to be graded which areas are convenient to them to be utilised for informal sports fields and most are in the townships.
Number of formal grounds renovated and maintained.	Total number is eight (8) three (3) sports grounds renovated and five (5) maintained	Brentpark ,Rammulotsi and Loubserpark have completed.
Number of swimming pools maintained and provided with adequate and qualified life savers during peak holiday seasons	2 swimming pools	Currently Morewag swimming pool is under renovation process whereby storm pipes must be replaced as a matter of urgency.
% of Nyakallong resort fencing upgraded	0% of fencing completed (extent of 1000 meters)	Approved for 2018/2019 MIG project
Number of meetings of Sports Council held	4 Sports Council meetings held	OR Tambo Development Games are played on Municipal sport fields hence the partnership of Sport & Recreation division with the office of the Executive Mayor
Number of sports and recreation meetings and events attended, arranged by both provincial, District, Local Sports council as well as NGO	21 meetings and 6 events.	<ul style="list-style-type: none"> - Freedom Day Tournament - Women's Day Tournament - Mayoral Tournament - OR Tambo Games - 16 June Commemoration Tournament - Old Mutual Wellness Games - SAMSRA Games
Number of sport activities conducted	4 sports activities arranged in collaboration with the Sport council and Fezile Dabi	OR Tambo Games at Ward, Municipal, District, and Provincial levels

SERVICE STATISTICS SPORT AND RECREATION

Chapter 3

Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Municipal Development

KPA: Community Development and Social Cohesion(Service Delivery)

IDP Priority 9: Sport and Recreation and Community Facilities

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comment
TL 97	Development of Parks for heritage and Recreation purposes	Service Delivery	Number of areas identified for Parks.	The number of the parks for developing	Director Community Services and Social Services	NEW KPI	NEW KPI	2	1	Target not achieved. Outdoor gym completed. No Budget for further development.	Include it in the budget for the next financial year	Monthly and quarterly reports		New KPI therefore no comparison could be made.

Chapter 3

Table 94: Employees: Sport and Recreation

Employees: Sport and Recreation						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	0	0	1	0	1	100%
4 - 6	1	0	1	0	1	100%
7 - 9	1	1	1	1	0	0%
10 - 12	2	2	4	3	1	25%
13 - 15	0	0	18	15	3	17%
16 - 18	15	21	21	3	18	86%
19 - 20	6	0	0	0	0	0%
Total	25	24	36	22	14	39%

Table 95: Financial Performance: Sport and Recreation

R'000						
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	393	136	22	199	245	91%
Expenditure:						
Employees	4 238	3 706	4 771	3 940	3 840	-24%
Repairs and Maintenance	110	201	1 047	636	834	-25%
Other	63	246	–	–	–	0%
Total Operational Expenditure	4 410	4 153	5 818	4 576	4 674	-24%
Net Operational Expenditure	4 017	4 017	5 795	4 376	4 429	-31%
T 3.23.4						

Table 96: Capital Expenditure: Sport and Recreation

R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0
Project Name	0	0	0	0%	0

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COMMENT ON SPORT AND RECREATION PERFORMANCE OVERALL

A professional engineer has been appointed to do the inspections and the recommendations for the purpose of the Safety and Grading certificate as specified by the SASREA Act on municipal venues.

Sport ground are being maintained every week including the Swimming pools. Moqhaka hosted a sport event for youth day in Matlwangtlwang. The primary schools were invited for the day for different mini sport games.

Seeisoville hall has been closed down due to repair and maintenance of the roof and electricity power. While the hall in Matlwangtlwang has been vandalized and burned down by community during the unrest.

In order to accommodate most of the community members in promotion of sports, the municipality submitted an application and business plans to the Department of Sports and Recreation for an indoor facility in Koekoe Village and for the development of Phomolong sport stadium.

KROONPARK HOLIDAY RESORT

The holiday resort was built and established just after the floods in 1989 and officially opened in 1990. The resort was mainly established and built as a recreational facility for the larger community of Kroonstad and for local economic development as a tourist attraction facility for Kroonstad.

The core function of the resort is to provide accommodation and leisure facilities to tourists. The resort caters for different businesses and governmental conferences.

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Kroonpark Holiday Resort:



The resort has successfully hosted one of South Africa's biggest annual Biker Rally, the annual Poison Rally with just over ten thousand (10 000) bikers visiting the resort.



Besides Biker Rallies, Kroonpark hosted two (2) OF South Africa's fastest growing sports, the annual motor vehicle shows and the annual Free State Beach Party music festival.

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Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Municipal Development

KPA: Community Development and Social Cohesion

IDP Priority 9: Sport and Recreation and Community Facilities

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 20	To support the expansion of the tourism potential of Kroon park Holiday Resort	LED & Planning	Develop a Marketing Strategy for the resort and submit to Council for approval	Strategy developed and submitted to Council for approval.	Director LED	NEW KPI	NEW KPI	1	0	Target Not Achieved	KPI to be included in the SDBIP 2018/19	None		New KPI therefore no comparison could be made.
TL 120	To support the expansion of the tourism potential of Kroonpark Holiday Resort	Local Economic Development	% of occupancy of Chalets	Number of chalets occupied per quarter/by the total number of chalets.	Director LED	Finance Report	10%	10%	27.5%	Target achieved	None	Finance Report		The municipality improved its performance
TL 121	To support the expansion of the tourism potential of Kroonpark Holiday Resort	Local Economic Development	% Occupancy of Caravan sites	Number caravan sites occupied per quarter/by the total number of caravan sits.	Director LED	Finance Report	2%	3%	4%	Target Achieved	None	Finance Report		The municipality increased its performance.
TL122	To support the expansion of the tourism potential of Kroonpark Holiday Resort	Local Economic Development	Number of day visitors at Kroonpark.	Sum of day visitors at Kroonpark for the period 1 July 2017 to 30 June 2018	Director LED	NEW KPI	NEW KPI	26 500	21 088	Target Not achieved due to the poor condition of facilities.	Upgrade facilities.	Quarterly and monthly Kroonpark Reports		New KPI therefore no comparison could be made.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 123	To support the expansion of the tourism potential of Kroonpark Holiday Resort	Local Economic Development	Number of chalets renovated	Sum of chalets renovated	Director LED	0	0	10	0	Target Not Achieved due to financial constraints.	Budget for renovations in the next financial year.	None		There is no improvement in the implementation of the KPI. Fund to be made available in the next financial year for renovations.
TL 124	To support the expansion of the tourism potential of Kroonpark Holiday Resort	Local Economic Development	Number of annual entertainment activities held	Sum of events held	Director LED	NEW KPI	9	6	6	Target Achieved	None	Promotional material and approval		The municipality maintained its performance. Target was achieved for 2016/17 and 2017/18 Financial year. More activities were planned in the last financial year.
TL 125	To support the expansion of the tourism potential of Kroonpark Holiday Resort	Local Economic Development	Revenue per available chalet	[revenue] divided by [Number of available chalets] for each quarter and calculating an average for the year	Director LED	R13 210.74	R10 484.08	R12 000	R11 923	Target almost achieved	Increase marketing of the place.	Finance Report		The performance of the municipality increased. The target was almost achieved.
TL 126	To support the expansion of the tourism potential of Kroonpark Holiday Resort	Local Economic Development	Revenue per Caravan site	[revenue] divided by [Number of available Caravan/camping sites] for each quarter and calculating an average for the year	Director LED	R934.59	R649.35	R800	R794.85	. Target almost achieved	Upgrade caravan facilities.	Finance Report		The performance of the municipality increased even though the target was not achieved.

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Table 97: Employees: Kroonpark

Employees: Kroonpark						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	1	1	0	1	100%
4 - 6	0	1	1	1	0	0%
7 - 9	0	0	2	2	0	0%
10 - 12	7	7	4	3	1	25%
13 - 15	1	1	14	14	0	0%
16 - 18	29	29	16	15	1	6%
19 - 20	0	0	0	0	0	0%
Total	38	39	38	35	3	8%
						T 3.23.3

Table 98: Financial performance: Kroonpark

Financial Performance 2017/18: Kroonpark						
						R'000
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	4	4	4 475	4 475	3 220	-39%
Expenditure:						
Employees	7	8	7 867	7 975	8 673	9%
Repairs and Maintenance	1	1	258	258	135	-91%
Other	2	2	107	107	1 171	91%
Total Operational Expenditure	10	11	8 232	8 340	9 979	18%
Net Operational Expenditure	5	7	3 757	3 865	6 759	44%
						T 3.23.4

Table 99: Capital Expenditure: Kroonpark

R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0
Project Name				0%	
Project Name				0%	
Project Name				0%	
Project Name				0%	

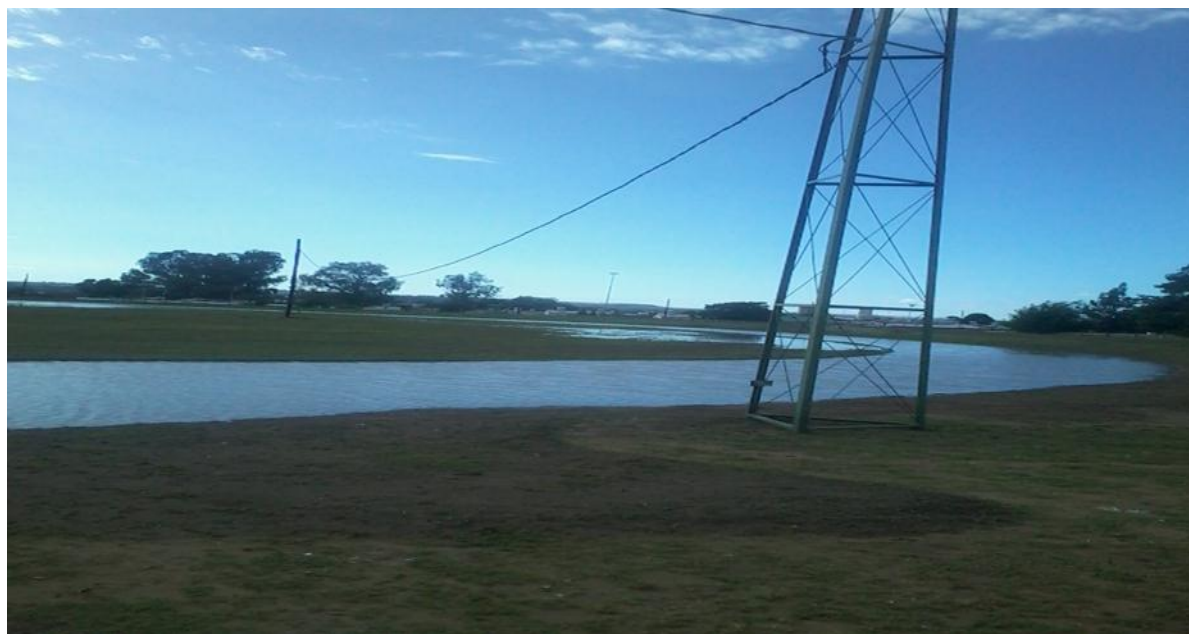
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Project Name				0%	
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COMMENT ON SPORT AND RECREATION PERFORMANCE OVERALL

Kroonstad:

Cut and clean Loubserpark, Seeisoville Stadium inside and outside, Seeisoville Hall, Wanderers Netball Court, Constantia Hall outside, Phomolong Stadium, Morewag Swimming Pool, clean Nyakallong paving, cut grass at Nyakallong and clean the running track at Seeisoville Stadium. Cleaning the sport grounds on weekly basis. During rainy seasons the athletic track at Seeisoville Stadium gets submerged due to the lack of drainage system.



Seeisoville Stadium after rain.

The Brentpark Stadium together with its ablution facilities get submerged under water during heavy rains.

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COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

3.22 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councillors; and municipal manager).

INTRODUCTION TO OFFICE OF THE EXECUTIVE MAYOR

The office of the executive mayor its aim is to support the executive mayor and members of the mayoral committee in their functions as assigned by the executive mayor. The executive mayor her functions are stipulated in the municipal structures act, act no117 of 1998 section 56 and thus stipulated as follows:

The executive mayor must identify the needs of the municipality, review and evaluate those needs in order of priority; recommend to the municipal council strategies, programmes and service to address priority needs through the integrated development plan and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plan and the executive mayor in performing the duties must monitor the management of the municipality's administration in accordance with the directions of the municipal council etc. And municipal finance act, act no56 of 2003 chapter 7 that includes section 52 to 59. thus stipulate as follows that executive mayors must provide general political guidance over the fiscal and financial affairs of the municipality and must also provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

SERVICE STATISTICS FOR THE OFFICE OF THE EXECUTIVE MAYOR

Number of MAYCO committee meetings held:	3
Number of quarterly stakeholder meetings convened:	8

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Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Governance

KPA: Good Governance and Community Participation

IDP Priority 28: Corporate and Democratic Governance

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL15	To ensure that all key municipal stakeholder are engaged.	Good Governance and Public Participation	Number of community report back meetings convened by Councillors for improved communication on service delivery including IDPs, SDBIP, etc.	Number of community report back meetings held	Manager: Speakers Office	4	3	4	4	Target Achieved	None	Agendas and Attendance Registers		The municipality increased its performance.
TL16	To ensure that functional ward committees are established.	Good Governance and Public Participation	Number of meetings per ward per quarter	Number of meetings held from 1 Jul to 30 June	Manager: Speakers Office	12	8	92	92	Target Achieved	None	Attendance registers of events		The performance of the municipality increased.
TL17	To ensure that functional ward committees are established.	Good Governance and Public Participation	Number of ward based development plans submitted.	Sum of Ward Plans submitted	Manager: Speakers Office	NEW KPI	NEW KPI	23	0	Target Not Achieved in the third quarter	None	None		New KPI therefore no comparison could be made.
TL18	To ensure that functional ward committees are established.	Good Governance and Public Participation	Number of quarterly interactions held with relevant municipal stakeholders (business, religious etc.)	Sum of events held	Manager: Speakers Office	NEW KPI	3	4	4	Target Achieved	None	Attendance registers of events		The municipality increased its performance.

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Table 100: Employees: Office of the Executive Mayor

Employees: Office of the Executive Mayor						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	2	4	2	3	-1	-50%
4 - 6	8	6	8	3	5	63%
7 - 9	0	0	0	0	0	0%
10 - 12	3	1	3	1	2	67%
13 - 15	0	0	0	0	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	13	11	13	7	5	38%

Table 101: Financial Performance: Office of the Executive Mayor

Financial Performance 2017/18: Office of the Executive Mayor						
R'000						
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-				0%
Expenditure:						
Employees	5 095	5 287	5 611	8 921	8 885	37%
Repairs and Maintenance	11	138	-	142	106	100%
Other	2 013	2 109	4 131	3 420	2 304	-79%
Total Operational Expenditure	7 119	7 534	9 742	12 483	11 295	14%
Net Operational Expenditure	7 119	7 534	9 742	12 483	11 295	14%

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Table 102: Capital Expenditure: Office of the Executive Mayor

Capital Expenditure 2017/18: The Executive and Council					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	335	200	33	-915%	0

COMMENT ON THE OVERALL PERFORMANCE OFFICE OF THE EXECUTIVE MAYOR

The performance of the office is doing quite well and we would really say that each member of the mayoral committee they are working hand in hand with their directors and the members of the portfolio committees and the external stakeholders on various matters. With this interaction there has been an improve planning and decision making.

The portfolio committees have been able to recommend to the executive mayor quality decision where few of the recommendation were returned for further investigations.

The staff in the office have been able to do their administration work in an improved circumstance and continuous effective and efficiency will be realised as we continuously re-engineer our systems, process, mechanisms and planning. The community of Moqhaka will continue to realise a better life.

INTRODUCTION TO OFFICE OF THE SPEAKER

The Office of the Speaker is responsible for effective Public Participation within the jurisdiction of Moqhaka Local Municipality. The Office is ensuring that the wellness of Councillors is always being looked after. The Speaker is responsible for sitting and running of the Municipal Council meetings. The functioning of all Council Committees and attendance Councillors to respective Committees that they have been allocated to.

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The Office is also responsible for the functioning of the Ward Committees. This include: training of Ward Committee Members, day to day operations of the Ward Committees in respective Wards, sitting of Ward Committee meetings, monthly Ward Committee reports by respective Wards and participation in all Municipal Programs.

The Office was responsible of ensuring that Ward Committees help the Municipality to identify community members that we stealing the Municipal electricity by reporting culprits and also identifying water meters that were leaking as Municipality was losing a lot of money due to water lose.

SERVICE STATISTICS FOR THE OFFICE OF THE SPEAKER

Number of public participation meetings held: 99
 Number of ward committees established: 23
 Number of ward committee meetings held: 145
 Number of council meetings convened: 12
 Number of CDWs employed:

Table 103: Employees: Office of the Speaker

Employees: Office of the Speaker						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	0	3	2	2	2	100%
4 - 6	6	2	4	4	4	100%
7 - 9	0	0	0	0	0	0%
10 - 12	0	0	0	0	0	0%
13 - 15	0	0	0	0	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	6	5	6	6	0	0%

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Table 104: Financial Performance: Office of the Speaker

Details	2015/16	2016/17	2017/18				R'000
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	-						0%
Expenditure:							
Employees	4 380	2 949	4 772	3 914	4 208	-13%	
Repairs and Maintenance	37	33	60	60	25	-140%	
Other	2 372		2 869	1 993	1 553	-85%	
Total Operational Expenditure	6 789	4 029	7 701	5 967	5 786	-33%	
Net Operational Expenditure	6 789	4 029	7 701	5 967	5 786	-33%	

INTRODUCTION TO THE OFFICE OF THE MUNICIPAL MANAGER

The Municipal Manager as the Accounting Officer of the Municipality has the ultimate responsibility of being accountable in terms of all applicable legislation and regulations. As Accounting Officer he/she may delegate certain duties to the Chief Financial Officer etc., who will in turn be accountable to the Municipal Manager. The Municipal Manager is therefore also accountable for all transactions entered into by his delegates.

The Office of the Municipal Manager consists of the following administrative units:

- Internal Audit and Risk Management
- Integrated Development Planning and PMS
- Intergovernmental Relations and Customer Care
- Communications

The Municipality as a Service Authority within its area of jurisdiction has a legislative mandate to provide services in a safe and healthy environment. The top three service delivery priorities are as follows:

- Provision of new infrastructure in terms of planning and implementation.
- Operating, maintenance and refurbishment/rehabilitation of existing infrastructure.
- Provision of basic services such as water, electricity and roads.

Through the guidance of the Municipal Manager, Moqhaka Municipality has accentuated focus on the back to basic objectives as derived from the five pillars guiding Local Government. The Alignment of services to the IDP

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indicators and Council priorities were incorporated as a priority objective during the course of all activities undertaken by the municipality.

SERVICE STATISTICS FOR THE OFFICE OF THE MUNICIPAL MANAGER

Number of senior management meetings held:	Incorporated into BM
Number of management meetings held:	44
Number of quarterly stakeholder meetings convened:	4

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Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Governance

KPA: Good Governance and Community Participation

IDP Priority 28: Corporate and Democratic Governance

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 21	To ensure that the Customer Care Policy is approved and implemented.	Good Governance and Public Participation	Complete a customer care satisfaction survey by end of March and submit report with recommendations to Council.	Number of surveys conducted and reports submitted to Council.	Municipal Manager	0	0	1	0	Target Not Achieved due to lack of capacity	Request assistance from Stats SA.	None	The municipality failed to achieve this KPI in the last three years financial years.
TL 22	To ensure that the Customer Care Policy is approved and implemented.	Good Governance and Public Participation	% of customer complaints handled within 24 hours.	Number of complaints received/Number of complaints handled with 24 hours.	Municipal Manager	NEW KPI	75%	80%	50%	Target Not Achieved. Not accurately measurable due to delayed feedback from Departments	System should incorporate direct communication function with ground teams	Complaints Register	The municipality's performance is down from the previous financial year due to lack of timeous feedback by the departments.
TL 23	To facilitate the optimal functioning of Council.	Good Governance and Public Participation	Annual Report tabled in Council on or before 31 Jan annually.	Date Annual Report Tabled.	Municipal Manager	31 Jan	31 Jan	31 Jan	31 Jan	Target Achieved	None	Council Resolution and Annual Report	The municipality maintained its performance.
TL 24	To facilitate the optimal functioning of Council.	Good Governance and Public Participation	Annual Review of IDP completed before the end of May annually	Date Annual Review completed.	Municipal Manager	May 2016	May 2017	31 May 2018	31 May 2018	Target Achieved	None	Council Resolution and IDP Report	The municipality maintained its performance
TL 25	To facilitate the optimal functioning of Council	Good Governance and Public Participation	% of Council Resolutions implemented within prescribed timeframe stipulated on resolution register.	Number of Council Resolutions implemented within the time frame divided by total number of	Municipal Manager	85%	85%	85%	85%	Target Achieved	None	Execution list and reports submitted to Council	The municipality maintained its position.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
				resolutions.									
TL 26	To facilitate the optimal functioning of Council.	Good Governance and Public Participation	IDP process plan adopted by Council.	Process Plan approved by Council.	Municipal Manager	1	1	1	1	Target Achieved	None	Process Plan and Council Resolution	The municipality maintained its performance
TL 27	To facilitate the optimal functioning of Council.	Good Governance and Public Participation	IDP Completed/reviewed and adopted by Council by 31 May annually	Date IDP adopted by Council.	Municipal Manager	May 2016	May 2017	31 May	31 May 2018	Target Achieved	None	Council Resolutions	The municipality maintained its performance
TL 28	To ensure a fully functional Audit Unit	Good Governance and Public Participation	Implementation of the approved audit action plan.	Number of audit issues attended to by management as per the audit action plan.	Municipal Manager	NEW KPI	NEW KPI	80	82	Target Achieved	None	Updated Action Plan	The municipality's performance exceeded the set target.
TL 29	To ensure a fully functional Audit Unit	Good Governance and Public Participation	Develop a risk-based audit plan with an internal audit plan (RBAP) (MFMA Section 165(2)(a) and submit to the Audit Committee by 15 August 2017.	RBAP with Internal Audit programme submitted to Audit Committee by 15 August 2017.	Municipal Manager	Target not achieved	Target Not Achieved	1	1	Target Achieved in quarter one.	None	RBAP and IAP submitted to Audit Committee and Minutes of Audit Committee	The municipality improved its performance compared to the last two financial years.
TL 30	To ensure a fully functional Audit Unit	Good Governance and Public Participation	Number of Audit Committee Meetings held per annum	Sum of Audit Committee Meetings held	Municipal Manager	NEW KPI	3	4	3	Target Not Achieved. The meeting could not sit in the second quarter as the members did not form a quorum.	None	Agendas, Attendance Registers and Minutes	The municipality maintained its performance. Three meetings were held in the last financial.
TL 31	To ensure a fully functional Audit Unit	Good Governance and Public Participation	Internal Audit Charter reviewed and completed annually (reviewed charters must be approved by the Audit Committee before end of June annually)	Date Internal Audit Charter approve.	Municipal Manager	NEW KPI	0	30 June	30 June	Target was achieved. Meeting was held in the 5 th July 2018 due to the fact that the contract of the members had expired	None	Internal Audit Charter and Minutes of Audit Committee	The municipality improved its performance
TL 32	To ensure a	Good	Audit Action Plan	Date Audit	Municipal	31 Jan	31 Jan	31 Jan	31 Jan	Target achieved	None	Audit Action	The municipality

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
	fully functional Audit Unit.	Governance and Public Participation	developed to address AG Findings and submitted to Council for Approval on or before 31 Jan.	Action plan submitted to Council for Approval	Manager	2015	2016		2018			Plan and Council Resolution	maintained its performance for the last three financial years.
TL 33	To ensure a fully functional Audit Unit.	Good Governance and Public Participation	Number of internal Audit queries produced.	Sum of Internal Audit queries.	Municipal Manager	NEW KPI	18	120	120	Target Achieved	None	Internal Audit Queries Register	The municipality improved its performance in the last financial year.
TL 34	To ensure a fully functional Internal Audit Unit.	Good Governance and Public Participation	% of management comments on Internal Audit queries received within 14 days.	Number of Internal Audit Queries/number of management comments received with 14 days.	Municipal Manager	Internal Audit Queries Register	50%	100%	85%	Target not Achieved due to delayed feedback by departments.	None	IA Reports	Even though the target was not achieved the municipality improved its performance.
TL 35	To ensure a fully functional Internal Audit Unit.	Good Governance and Public Participation	Number of performance audits undertaken	Sum of performance audits	Municipal Manager	Performance Audit Reports	2	2	0	Target Achieved	None	Performance Audit Reports	Performance was maintained.
TL 36	To facilitate the optimal functioning of Council.	Good Governance and Public Participation	Approval of SDBIP before the legislative deadline.	Date SDBIP approve by Executive Mayor.	Municipal Manager	July 2015	July 2016	16 June 2017	1	Target achieved	None	None	Performance was maintained.
TL 37	To facilitate the optimal functioning of Council	Good Governance and Public Participation	Submit quarterly reports to Council on the actual performance in terms of the Top Layer SDBIP.	No of Top Layer SDBIP submitted to Council.	Municipal Manager	2	2	4	3	Partially achieved. Three Reports submitted to Council.	Submit quarterly reports to council as required.	Quarterly performance Reports and Minutes of Council	There was no improvement in terms of submission of reports to Council only the mid-year performance and annual reports were submitted to Council.
TL 38	To facilitate the optimal functioning of Council	Good Governance and Public Participation	Submit previous year's financial year annual report at the end of Aug annually.	Annual Report	Municipal Manager	1	1	1	1	Target Achieved in the third quarter	None	Proof of Submission	The municipality maintained its performance.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL 39	To facilitate the optimal functioning of Council	Good Governance and Public Participation	Annual Review of the PMS by end of May annually	PMS Framework.	Municipal Manager	Review Report	0	1	0	Target was partially achieved. Policy has been reviewed a workshop for Councillors must be conducted before submission to Council.	Conduct workshop and submit policy to Council for approval.	Reviewed Policy	Performance decreased the last review was in December 2016.
TL 40	To ensure that an effective Risk Management function is established.	Good Governance and Public Participation	Risk Register compiled and updated quarterly and approved by Municipal Manager.	Sum of Risk register quarterly updates	Municipal Manager	NEW KPI	4	4	2	Partially Achieved. Risk Assessment was completed in the Third quarter.	Risk Section to conduct Risk Assessment timeously	Quarterly reports	Performance decreased.
TL 41	To ensure that an effective Risk Management function is established.	Good Governance and Public Participation	Number of RMC meetings held.	Sum of RMC meetings held.	Municipal Manager	NEW KPI	0	4	2	Partially achieved. The Risk Committee was formed in the second quarter.	Hold meetings in the next financial year as scheduled.	Agendas, Attendance Registers and Minutes	The municipality improved its performance as w meetings were held in the last financial year.
TL 42	To ensure that an effective Risk Management function is established.	Good Governance and Public Participation	Approved fraud prevention and anti-corruption strategy annually reviewed on or before 30 June.	Date Fraud prevention and anti-corruptions strategy approved.	Municipal Manager	Agendas and minutes	0	30 June	0	Target not achieved	Policy was approved in October 2017. The next review will be in October 2018.	Agendas and Minutes	The municipality maintain its performance
TL 43	To ensure that an effective Risk Management function is established.	Good Governance and Public Participation	Risk management strategy, that includes fraud prevention plan, and policy reviewed and approved before 30 September annually	Date Risk Register approved.	Municipal Manager	Risk Management Strategy and Council Resolution.	30 Sept	30 September	30 September	Target Achieved.	None	Risk Management Strategy and Council Resolution.	The municipality maintained its performance.

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL59	Promote sound Risk management practices within the Directorate.	Good Governance and Public Participation	Ensure the completeness of risk assessment in the department.	Risk Assessment Report	Director Finance	NEW KPI	NEW KPI	1	1	Partially achieved target set for quarter one but achieved in quarter 3	Conduct Risk Assessment timeously	Risk Assessment Report		New KPI therefore no comparison could be made.
TL60	Promote sound Risk management practices within the Directorate.	Good Governance and Public Participation	Compiling and ensuring compliance with directorate action plan to address residual risks.	Signed Action Plan	Director Finance	Signed Action Plan	NEW KPI	1	1	Partially achieved target set for quarter one but achieved in quarter 3	Conduct Risk Assessment timeously	Signed Action Plan		New KPI therefore no comparison could be made.
TL61	Promote sound risk management practices within the Directorate	Good Governance and Public Participation	Submission of complete and signed reports on status of implementation of action plans to address risks.	Signed Quarterly Reports	Director Finance	NEW KPI	NEW KPI	4	2	Partially achieved. Risk assessment was completed late.	Conduct Risk Assessment timeously	Signed Quarterly Reports		New KPI therefore no comparison could be made.
TL62	Promote sound Risk management practices within the Directorate.	Good Governance and Public Participation	Attend and support Risk Committee Meetings.	Quarterly Attendance Register:	Director Finance	NEW KPI	NEW KPI	4	1	Target Not achieved	Attend scheduled Risk Committee Meetings.	Quarterly Attendance Register:		New KPI therefore no comparison could be made.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL86	Promote sound Risk management practices within the Directorate.	Good Governance and Public Participation	Ensure the completeness of risk assessment in the department.	Risk Assessment Report	Director Corporate Services	NEW KPI	NEW KPI	1	1	Partially achieved. Risk Assessment was completed in the third quarter.	Risk Section to conduct Risk Assessment timeously	Risk Assessment Report		New KPI therefore no comparison could be made.
TL87	Promote sound Risk management practices within the Directorate.	Good Governance and Public Participation	Compiling and ensuring compliance with directorate action plan to address residual risks.	Signed Action Plan	Director Corporate Services	Signed Action Plan	NEW KPI	1	1	Partially achieved. Risk Assessment was completed in the third quarter.	Risk Section to conduct Risk Assessment timeously	Signed Action Plan.		New KPI therefore no comparison could be made.
TL88	Promote sound Risk management practices within the Directorate.	Good Governance and Public Participation	Submission of complete and signed reports on status of implementation of action plans to address risks.	Signed Quarterly reports.	Director Corporate Services	NEW KPI.	NEW KPI	4	2	Partially achieved. Risk Assessment was completed in the third quarter.	Risk Section to conduct Risk Assessment timeously	Signed Action Plan		New KPI therefore no comparison could be made.
TL89	Promote sound Risk management practices within the Directorate.	Good Governance and Public Participation	Attend and support Risk Committee Meetings.	Quarterly Attendance Register.	Director Corporate Services	NEW KPI	NEW KPI	4	2	Partially achieved. Only two Risk Committee Meetings were convened.	Convene Risk Committee meetings as scheduled.	Quarterly Attendance Register.		New KPI therefore no comparison could be made.
TL 111	Promote sound risk management practices within the Directorate	Good Governance and Public Participation	Ensure the completeness of risk assessment in the department.	Risk Assessment Report	Director Community Services and Social Services	NEW KPI	NEW KPI	1	1	Partially Achieved. Risk Assessment was completed in the third quarter	Conduct Risk Assessment timeously	Risk Assessment Report		New KPI therefore no comparison could be made.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 112	Promote sound risk management practices within the Directorate	Good Governance and Public Participation	Compiling and ensure compliance with directorate action plan to address residual risks.	Signed Action Plan	Director Community Services and Social Services	NEW KPI	NEW KPI	1	1	Partially Achieved. Risk Assessment was completed in the third quarter	Action Plan to be compiled as soon as the Risk Assessment is completed.	Risk Assessment Report		New KPI therefore no comparison could be made.
TL 113	Promote sound risk management practices within the Directorate	Good Governance and Public Participation	Submission of complete and signed reports on status of implementation of action plans to address risks.	Signed Quarterly Reports	Director Community Services and Social Services	NEW KPI	NEW KPI	4	2	Partially Achieved. Risk Assessment was completed in the third quarter	Action Plan to be compiled as soon as the Risk Assessment is completed.	Signed Quarterly Reports		New KPI therefore no comparison could be made.
TL 114	Promote sound risk management practices within the Directorate	Good Governance and Public Participation	Attend and support risk committee meetings	Quarterly attendance registers.	Director Community Services and Social Services	NEW KPI.	NEW KPI	4	2	Partially achieved. Two meetings were convened.	Convened Risk Committee Meetings quarterly as required.	Quarterly attendance registers.		New KPI therefore no comparison could be made.
TL 127	Promote sound risk management practices within the Directorate	Good Governance and Public Participation	Ensure the completeness of risk assessment in the department.	Risk Assessment Report	Director LED	NEW KPI	NEW KPI	1	1	Partially Achieved. Risk Assessment was completed in the third quarter	Conduct Risk Assessment timeously.	Risk Assessment Report		New KPI therefore no comparison could be made.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 128	Promote sound Risk management practices within the Directorate.	Risk Assessment Report	Compiling and ensure compliance with directorate action plan to address residual risks.	Signed Action Plan	Director LED	NEW KPI	NEW KPI	1	1	Partially Achieved. Risk Assessment was completed in the third quarter	Conduct Risk Assessment timeously.	Risk Assessment Report		New KPI therefore no comparison could be made.
TL 129	Promote sound risk management practices within the Directorate	Good Governance and Public Participation	Submission of complete and signed reports on status of implementation of action plans to address risks.	Signed Reports	Director LED	NEW KPI	NEW KPI	4	2	Partially Achieved. Risk Assessment completed in the third quarter. .	Conduct Risk Assessment timeously.	Signed Reports		New KPI therefore no comparison could be made.
TL 130	Promote sound risk management practices within the Directorate	Good Governance and Public Participation	Attend and support risk committee meetings	Quarterly Attendance Register	Director LED	NEW KPI	NEW KPI	4	2	Partially achieved. Two meetings were convened.	Convened Risk Committee Meetings as scheduled.	Quarterly Attendance Register		New KPI therefore no comparison could be made.
TL 147	Promote sound risk management practices within the Directorate	Good Governance and Public Participation	Ensure the completeness of risk assessment in the department.	Risk Assessment Report	Director Technical Services	NEW KPI	NEW KPI	1	1	Partially Achieved. Risk Assessment was completed in the third quarter	Conduct Risk Assessment timeously.	Risk Assessment Report		New KPI therefore no comparison could be made.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 148	Promote sound risk management practices within the Directorate	Good Governance and Public Participation	Compiling and ensure compliance with directorate action plan to address residual risks.	Signed Action Plan	Director Technical Services	NEW KPI	NEW KPI	1	1	Partially Achieved. Risk Assessment was completed in the third quarter	Conduct Risk Assessment timeously	Signed Action Plan		New KPI therefore no comparison could be made.
TL 149	Promote sound risk management practices within the Directorate	Good Governance and Public Participation	Submission of complete and signed reports on status of implementation of action plans to address risks.	Signed Reports	Director Technical Services	NEW KPI	NEW KPI	4	2	Partially achieved. Risk Assessment completed in the third quarter. Only two reports were produced.	Conduct Risk Assessment timeously	Signed Reports		New KPI therefore no comparison could be made.
TL 150	Promote sound risk management practices within the Directorate	Good Governance and Public Participation	Attend and support risk committee meetings	Quarterly Attendance Register	Director Technical Services	NEW KPI	NEW KPI	4	2	Partially achieved Only two meetings were convened.	Convene meetings quarterly as required.	Quarterly Attendance Register		New KPI therefore no comparison could be made.

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Table 105: Employees: Office of the Municipal Manager

Employees: Office of the MM						
Job Level	'2015/16 Employees	2016/17 Employees	'2017/18			
	No.	No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	3	5	9	8	1	11%
4 - 6	1	3	12	4	8	67%
7 - 9	1	1	2	1	1	50%
10 - 12	1	4	4	4	0	0%
13 - 15	0	2	2	2	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	6	15	29	19	10	34%

Table 106: Financial performance: Office of the Municipal Manager

R'000						
Details	2015/16	2016/17	'2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-				0%
Expenditure:						
Employees	4 558	8 516	10 921	11 563	7 673	-42%
Repairs and Maintenance	1	5	29	29	5	-480%
Other	3 084	1 882	1 494	1 302	542	-176%
Total Operational Expenditure	7 643	10 403	12 444	12 894	8 220	-51%
Net Operational Expenditure	7 643	10 403	12 444	12 894	8 220	-51%

Table 107: Capital Expenditure: Office of the Municipal Manager

Capital Expenditure 2017/18: The Executive and Council					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0

Chapter 3

3.23 FINANCIAL SERVICES

INTRODUCTION TO FINANCIAL SERVICES

The Municipality is making strides with its endeavours with regards to debt collection, this was evident from the month of June 2018 when the municipality for the first time collected above 85% (88%) of its arrear debt. Debt Collection & Credit Control mechanisms are implemented in line with the approved policies of the Municipality. The services of Contractors were sources to assist the municipality in addressing both water and electricity meter installations backlogs so as to further improve levels of service delivery and recover the revenue which was not fully recovered. Tampering Fines are imposed on those community members found to have tampered with water or electricity meters as approved by Council in its tariff structure. Revenue Enhancement strategy has been developed for Council's approval for recovery of additional revenue. To enhance debt collection, different Government institutions and Private institutions are being visited by the municipal staff with the endeavour of recovering the arrear debt.

Table 108: Debt Recovery

Details of the types of account raised and recovered	Debt Recovery										R' 000
	2013/14 Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year	Billed in Year	2014/15 Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	2015/16 Proportion of accounts value billed that were collected in the year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	2017/18 Estimated Proportion of accounts billed that were collected	Proportion of accounts value billed that were collected %
Property Rates	42 381	35 391	46 276	37 521	81%	48 983	40 597	83%	66 222	46 507	70%
Electricity - C	139 913	123 487	160 024	128 109	80%	165 982	141 774	85%	180 394	159 476	88%
Water	70 009	38 938	84 144	46 582	55%	83 052	45 396	55%	85 501	51 825	61%
Sanitation	23 192	11 967	25 701	13 482	52%	27 555	14 641	53%	42 398	28 698	68%
Refuse	13 312	7 414	17 510	9 150	52%	22 142	10 848	49%	28 498	19 370	68%
Other	8 590	2 809	11 881	3 693	31%	18 545	2 719	15%	40 048	4 504	11%

Average collection on billing for 2015/16 was 78%. Average collection on billing for 2016/17 is 81 % and average collection on billing for 2017/18 is 82%. The municipality is striving to collect 100% of the services that has been billed, as this will enhance revenue. The arrear debt is also needed in order to fund daily operations and pay the outstanding creditors.

The municipality is continuously replacing the faulty water and electricity meters so as to ensure that the municipality does not continue to lose revenue.

Chapter 3

Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Financial Management

KPA: Financial Viability and Financial Management

IDP Priority 26: Financial accountability and compliance

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 1	To ensure that the municipal budget and financial reporting process are compliant with applicable legislation.	Municipal Financial Viability and Management	Financial Viability: Cost coverage (Rag 796)	"Where - ""A"" represents cost coverage ""B"" represents all available cash at a particular time ""C"" represents investments ""D"" represents monthly fixed operating expenditure $A=(B+C)/D$ "	Director Finance	0	2	≥ 1	6	Target Achieved	None	Section 52(d) Report (Rations and Norms Annexure)		The municipality increased its performance.
TL 2	To ensure that the municipal budget and financial reporting process are compliant with applicable legislation.	Municipal Financial Viability and Management	Financial Viability: Debt coverage (Rag 796)	"Where - ""A"" represents debt coverage ""B"" represents total operating revenue received ""C"" represents operating grants ""D"" represents debt service payments (i.e. interest + redemption) due within the financial year; $A=(B-C)/D$ "	Director Finance	27%	21%	$\leq 45\%$	33%	Target Achieved	None	Section 52(d) Report (Rations and Norms Annexure) Section 52(d) Report (Rations and Norms Annexure)		The municipality increased its performance.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 3	To ensure that the municipal budget and financial reporting process are compliant with applicable legislation.	Municipal Financial Viability and Management	Financial Viability: Service debtors to revenue (Rag 796)	Where - "A" represents outstanding service debtors to revenue "B" represents total outstanding service debtors "C" represents annual revenue actually received for services; $A=(B/C)$	Director Finance	97%	22%	95%	88%	Target Not Achieved due	Implementation of the Revenue Enhancement Strategy upon approval by Council	Section 52(d) Report		The municipality increased its performance but did not achieve the set target.
TL 4	To implement an effective and efficient system of expenditure and supply chain management.	Basic Service Delivery	% of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (MFMA Circular 71)	Actual Capital Expenditure / Budget Capital Expenditure x 100	Director Finance	96%	100%	95%	100%	Target Achieved	None	Section 52(d) Report (Rations and Norms Annexure)		The municipality maintained its performance
TL 9	To implement an effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	Number of formal households connected to municipal electrical infrastructure network (credit and prepaid electrical metering excluding Eskom areas).	Number of households which are billed for electricity or have prepaid meters (excluding Eskom areas).	Director Finance	26 643	23 077	23 182	23 285	Target Achieved	None	BS506 Report		The municipality increased its performance.
TL 10	To implement an effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	Number of HH which are billed for water or have pre-paid meters.	Sum of household which are billed for water or have prepaid meters.	Director Finance	NEW KPI	NEW KPI	30 836	32 029	Target Achieved	None	BS506 Report		New KPI therefore no comparison could be made.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 11	To implement and effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	Number of HH which are billed for refuse removal.	Sum of household which are billed for refuse removal.	Director Finance	NEW KPI	NEW KPI	30 836	31 516	Target Achieved	None	BS506 Report		New KPI therefore no comparison could be made.
TL 12	To implement and effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	Number of households which are billed for sewerage.	Sum of household which are billed for sewerage.	Director Finance	NEW KPI	NEW KPI	30 836	32 013	Target Achieved	None	BS506 Report		New KPI therefore no comparison could be made.
TL 14	To ensure continuous training and development of employees.	Municipal Transformation and Institutional Development	% of a municipality's personnel budget actually spent on implementing its workplace skills plan;	R value spent on training divided by total personnel budget value of the municipality	Director Corporate Services	1%	1%	1%	0.16	Target Not Achieved.	Implement more training programmers.	None		The performance of the municipality decreased in the 2017/18 financial year.
TL44	To ensure the effective, efficient and economical management of municipal assets.	Municipal Financial Viability and Management	Fixed Asset Register (FAR) compiled and updated annually on or before 31 Aug in line with GRAP requirements	Fixed Asset Register (FAR)	Director Finance	NEW KPI	1	1	1	Target achieved	None	Fixed Asset Register (FAR) accompanying the AFS		The municipality maintained its performance
TL45	To ensure that the municipal budget and financial reporting process are compliant with applicable legislation.	Municipal Financial Viability and Management	Number of monthly budget statements (s71 of MFMA) are compiled and submitted to the Mayor by no later than 10 working days after the end of each month	Number of sec 71 report submitted after end of month	Director Finance	12	12	12	12	Target Achieved	None	Proof of AFS Submission-Emails		In comparison with the previous year's results the municipality maintained its performance as required by legislation.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL46	To ensure that the municipal budget and financial reporting process are compliant with applicable legislation.	Municipal Financial Viability and Management	Mid-year budget assessment and budget adjustments report submitted on or before 25 January each year (s72 of MFMA)	Date Mid-year assessment submitted	Director Finance	25 Jan	25 Jan	25 Jan	25 Jan	Target Achieved	None	Proof of AFS Submission-Emails		In comparison with the previous year's results the municipality maintained its performance as required by legislation.
TL47	To ensure that the municipal budget and financial reporting process are compliant with applicable legislation.	Municipal Financial Viability and Management	% of Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Director Finance	NEW KPI	95%	95%	83%	Target Not Achieved	This target will be achieved once the Accruals Journal has been finalized and processed on the system (e.g.; Eskom Account June 2018 = R32m)	Section 52(d) Report March 2018		The performance of the municipality decreased compared to the last financial year.
TL48	To ensure that the municipal budget and financial reporting process are compliant with applicable legislation.	Municipal Financial Viability and Management	% of Operating Revenue Budget Implementation Indicator.	Actual Operating Revenue [excl. Capital Grant Revenue] / Budgeted Operating Revenue x 100	Director Finance	NEW KPI	98%	95%	78%	Target Not Achieved	The municipality is currently busy with the data cleansing which will assist in ensuring that all the necessary accounts are appropriately billed. The process of meter replacements is only ongoing, which will ensure that the budgeted revenue is billed accordingly as per the municipality's	Section 52(d) Report March 2018		The performance of the municipality decreased compared to the last financial year.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
											customer base.			
TL49	To ensure that the municipality receives a Clean Audit by 2022.	Municipal Financial Viability and Management	Services charges and property Rates Revenue Budget implementation Indicator	Actual Service Charges and Property Rates Revenue/Budgeted Service Charges and property rates X Revenue	Director Finance	NEW KPI	97%	95%	70%	Target Not Achieved	Implementation of the Revenue Enhancement Strategy upon approval by Council	Section 52(d) Report March 2018		The performance of the municipality decreased compared to the last financial year.
TL50	To ensure that the municipal budget and financial reporting process are compliant with applicable legislation	Municipal Financial Viability and Management	Compliant annual budget (MTREF) compiled and approved by end of May each year	Actual date budget approved	Director Finance	29 June	31 May	31 May	31 May	Target Achieved	None	Council Resolution		The municipality maintained its performance.
TL51	To ensure that the municipality receives a Clean Audit by 2022.	Municipal Financial Viability and Management	Compiled Annual Financial Statement submitted to the Auditor-General by the end of August each year	Date annual financial statements submitted to the AG	Director Finance	31 Aug	31 Aug	31 Aug	31 Aug	Target Achieved.	None	Proof of submission		The Municipality maintained its performance
TL52	To implement an effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	Number of SCM reports submitted to council	Sum of reports submitted	Director Finance	NEW KPI	4	4	2	Target Not Achieved	An Item was submitted to Council Regarding the Schedule of meetings for S79 Committees and the Council.	Council Resolution		The performance of the municipality decreased. The Manager SCM resigned in the second quarter.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL53	To implement an effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	% actual expenditure on repairs and maintenance as a percentage of the approved/adjusted budget	Total Repairs and Maintenance Expenditure / Total amount budgeted for repairs and maintenance x 100	Director Finance	NEW KPI	NEW KPI	95%	57%	Target Not Achieved	The repairs and maintenance expenditure is a cumulative balance and as a result the municipality mainly experienced high expenditure patterns during the 4th Quarter of the financial year.	Section 52(d) Report March 2018		Comparison could not be made as the target was set differently in the 2017/8 financial year.
TL54	To implement an effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	Creditors Payment period (Creditors are paid within 30 days as per Sec 65(2)(e) of the MFMA	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	Director Finance	NEW KPI	321 days	≤30 days	315 Days	Target Not Achieved due to cash-flow problems.	Implementation of the Revenue Enhancement Strategy upon approval by Council	Section 52(d) Report March 2018		Although the KPI was not achieved in the last two financial years the number of days taken to pay creditors was slightly reduced.
TL55	To implement an effective and efficient system of expenditure and supply chain management.	Municipal Financial Viability and Management	% of tenders awarded within 90 days of tender closing date	Number of tenders awarded/Tenders awarded within 90 days awarded within 90 days of tender closing date	Director Finance	NEW KPI	29%	95%	43.75%	Target Not Achieved.	The non-achievement of the target was mainly due to the fact that the SCM Unit's Manager resign and we had to get an Acting Manager. We also lost during the 3rd Quarter the Stores Controller which also affected the SCM Unit's Performance.	SCM Implementation Quarterly Report		Although the target was not achieved the municipality improved its performance compared to the 2016/17 financial year.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Results	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 56	To ensure the effective and efficient management of municipal revenue and cash-flow according to national norms and standards.	Municipal Financial Viability and Management	% of consumer debtor's revenue collected (actual total collections as a percentage of total levies/billings)	Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	Director Finance	92%	90%	95%	86%	Target Not Achieved	Implementation of the Revenue Enhancement Strategy upon approval by Council	Section 52(d) Report March 2018		The performance of the municipality decreased compared to the 2016/17 financial year.
TL57	To ensure the effective and efficient management of municipal revenue and cash-flow according to national norms and standards.	Municipal Financial Viability and Management	Net Operating Surplus Margin (MFMA Circular 71)	(Total Operating Revenue – Total Operating Expenditure)/ Total Operating Revenue x 100%	Director Finance	NEW KPI	1%	≥0%	24%	Target Achieved	None	Section 52(d) Report (Rations and Norms Annexure)		The municipality increased its performance.
TL58	To ensure the effective and efficient management of municipal revenue and cash-flow according to national norms and standards.	Municipal Financial Viability and Management	% Own Source Revenue to Total Operating Revenue (MFMA Circular 71)	Own Source Revenue (Total Revenue - Government Grants and Subsidies – Public Contribution and Donations)/ Total Operating Revenue (Including Agency Services) x 100	Director Finance	NEW KPI	78%	75%	78%	Target Achieved	None	Section 52(d) Report (Rations and Norms Annexure)		The municipality increased its performance and exceed the target that was set.

Chapter 3

Table 109: Employees: Financial Services

Employees: Financial Services						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	5	6	4	7	-3	-75%
4 - 6	13	14	27	13	14	52%
7 - 9	8	7	12	11	1	8%
10 - 12	24	21	18	19	-1	-6%
13 - 15	14	20	21	20	1	5%
16 - 18	4	3	3	2	1	33%
19 - 20	0	0	0	19	-19	0%
Total	68	71	85	91	-6	-7%
						T 3.25.4

Table 110: Financial Performance: Financial Services

Financial Performance 2017/18: Financial Services						
						R'000
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	59 600	72 828	85 232	74 152	76 072	-12%
Expenditure:						
Employees	21 058	22 604	24 858	23 703	24 860	0%
Repairs and Maintenance	62	73	168	185	25	-572%
Other	8 109	6 864	8 806	8 656	8 126	-8%
Total Operational Expenditure	29 229	29 541	33 832	32 544	33 011	-2%
Net Operational Expenditure	(30 371)	(43 287)	(51 400)	(41 608)	(43 061)	-19%

Table 111: Capital expenditure: Financial Services

Capital Expenditure 2017/18: Financial Services					
					R' 000
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	308	204	108	-185%	0
Office Furniture	308	204	108	-185%	

Chapter 3

3.24 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

Human Resources is one of the supporting function within Corporate Support Services Department, its main functions are as follows: Leave Administration, Recruitment, Benefits, Terminations, Labour Relations, Skills Development, Employment Equity, Occupational Health & Safety and Employee Wellness.

Priority: Institutional Performance Capacity and staff provision

To improve performance, the Council approved Performance Management Policy and the Institutional Performance Management Framework that will provide guidance in measuring, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players.

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

The municipality is currently standing with a total staff component 859 employees as at end June 2018.

During the financial year 2017/2018 the municipality filled a total number of 69 positions, 25 of the positions were filled externally, 41 were filled internally and 3 appointed on contract. A total of 36 terminations were recorded due to different types of terminations e.g. Death, dismissals, retirement, end of contracts, secondment and resignations.

A total number of 09 training interventions were implemented with 69 employees being trained.

Other main service statistics are included in Chapter 4 of the Annual Report.

Chapter 3

Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Institutional Development

KPA: Municipal Transformation and Institutional Development

IDP Priority 18: Human Resources

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Target	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL 14	To ensure continuous training and development of employees.	Municipal Transformation and Institutional Development	% of a municipality's personnel budget actually spent on implementing its workplace skills plan;	R value spent on training divided by total personnel budget value of the municipality	Director Corporate Services	1%	1%	1%	0.16	Target Not Achieved.	Implement more training programmes.	None		The performance of the municipality decreased in the 2017/18 financial year.
TL65	To ensure that the HR function responsibly forecast the future staffing needs and create plans for recruiting, hiring and retaining top talent	Municipal Transformation and Institutional Development	% of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of employee's from designated groups in three highest levels of management divided by total Number of employees in three highest levels of management	Director Corporate Services	NEW KPI	NEW KPI	20%	3%	Target Not Achieved. No positions in this category were advertised	Prioritise appointments on the first three highest levels of management	Equity Report		New KPI therefore no comparison could be made.
TL66	To ensure continuous training and development of employees.	Municipal Transformation and Institutional Development	WSP, annual training report(ATR) & PIVOTAL report compiled and submitted to LGSETA on 30 April each year.	Date annual training report and WSP submitted to the LGSETA	Director Corporate Services	30 April	30 April	30 April	30 April	Target achieved	None	Proof of submission from LGSETA		The municipality has achieved this target for the past 3 financial years.
TL67	To ensure continuous training and development of employees.	Municipal Transformation and Institutional Development	Number of Apprenticeships implemented as per WSP.	Sum of Apprenticeships implemented	Director Corporate Services	NEW KPI	3	1	1	Target Achieved.	None	LGSETA approval		The municipality maintained its performance

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Target	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL68	To ensure continuous training and development of employees	Municipal Transformation and Institutional Development	Number of skills programmers implemented	Sum of skills programmers implemented	Director Corporate Services	NEW KPI	2	3	3	Target Not Achieved	None	Pre-approval letter from LGSETA and signed SLA		The municipality did not improve its performance. This target was not achieved in the last financial year.
TL69	To ensure continuous training and development of employees	Municipal Transformation and Institutional Development	Number of Senior & Finance officials trained on MFMP competency levels	Sum of students enrolled	Director Corporate Services	NEW KPI	11	12	0	Target not achieved	Implement the programmer in the first quarter of the next financial year.	None		The performance decreased. Target was achieved in the 2017/18 financial year.
TL70	To ensure that the HR function responsibly forecast the future staffing needs and create plans for recruiting, hiring and retaining top talent.	Municipal Transformation and Institutional Development	Approved Macro and Micro Organizational Structure	Date structure approved	Director Corporate Services	NEW KPI	0	Structure Reviewed by June 2018	0	Target not achieved	Review Structure in the next financial year	None		No improved was realized for this KPI for the last two financial years. The structure will be reviewed in the 2018/19 Financial year.
TL71	To ensure that the HR function responsibly forecast the future staffing needs and create plans for recruiting, hiring and retaining top talent	Municipal Transformation and Institutional Development	Number of employees undergoing medical tests annually as required by OHSA	Sum of employees undergoing medical tests	Director Corporate Services	NEW KPI	576	350	545	Target achieved.	None	Summary report from Service Provider		The municipality maintained its performance target was achieved in achieved.
TL72	To ensure that the HR function responsibly forecast the future staffing needs and create plans for recruiting, hiring and retaining top talent.	Municipal Transformation and Institutional Development	Number of EE Reports submitted to Doll by 15 January each year [EEA2 and EEA4]	Sum of reports submitted	Director Corporate Services	EEA4 and Form EEA2 submitted to Doll	EEA4 and Form EEA2 submitted to Doll	EEA4 and Form EEA2 submitted to Doll	EEA4 and Form EEA2 submitted to Doll	Target Achieved	None	Proof of submission received from Doll		The target was achieved for the three financial years.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Target	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
TL73	To ensure that the HR function responsibly forecast the future staffing needs and create plans for recruiting, hiring and retaining top talent	Municipal Transformation and Institutional Development	Review of EE Plan and numerical goals and targets annually	Revised EE Plan and Council Resolution	Director Corporate Services	0	Reviewed	Annual Review	0	Target Not Achieved	Review numerical targets in the next financial year.	None		The municipality did not review the numerical targets as required.
TL74	To ensure that the HR function responsibly forecast the future staffing needs and create plans for recruiting, hiring and retaining top talent	Municipal Transformation and Institutional Development	Submit quarterly reports to the HR Manager regarding activities carried out	Sum of reports submitted	Director Corporate Services	NEW KPI	NEW KPI	4	4	Target Achieved	None	Quarterly Reports		New KPI therefore no comparison could be made.
TL75	To ensure that the HR function responsibly forecast the future staffing needs and create plans for recruiting, hiring and retaining top talent	Municipal Transformation and Institutional Development	% of Full Time Equivalent posts on the organogram vacant	Number of vacant posts divided by Total Number of posts	Director Corporate Services	NEW KPI	35%	<28%	37%	Target Not Achieved	Recruitment within the institution still unfolding, the process will be fast-tracked	Organogram and budget report		The performance of the municipality further decreased from 35% in 2017/18 financial year to 37% in the 2017/18 financial year.
TL76	To ensure that the HR function responsibly forecast the future staffing needs and create plans for recruiting, hiring and retaining top talent.	Municipal Transformation and Institutional Development	Total overtime hours as a percentage of all work hours	Overtime hours worked divided by total hours worked	Director Corporate Services	20%	11.39%	15%	9.25%	Target Achieved	None	Payroll report on overtime paid.		The municipality improved its performance .
TL80	To ensure the effective functioning of the LLF	Municipal Transformation and Institutional Development	Number of LLF meetings held per annum	Sum of LLF meetings held per year	Director Corporate Services	9	6	10 per annum	10	Target Achieved	None	Agendas and minutes of LLF Meetings		The performance of the municipality increased. Target was achieved in 2017/18 compared to the

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Target	Performance Comment	Corrective Measures	Evidence in Support of Performance		Comments
														2015/16 financial year.
TL81	To ensure the effective functioning of the LLF	Municipal Transformation and Institutional Development	% implementation of LLF resolutions taken (including monitoring of SALGBC	Number of LLF resolutions taken/Number of resolutions implemented	Director Corporate Services	NEW KPI	85%	85%	85%	Target Achieved	None	Resolutions Register		The municipality maintained its performance

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Table 4412: Employees: Human Resource Services

Employees: Human Resource Services						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	2	2	2	0	0%
4 - 6	2	5	5	5	0	0%
7 - 9	1	4	6	4	2	33%
10 - 12	4	1	4	1	3	75%
13 - 15	0	0	1	1	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	8	12	18	13	5	28%
						T3.26.4

Table 113: Financial Performance: Human Resource Services

Financial Performance 2017/18 : Human Resource Services						
						R'000
Details	2015/16	2016/17	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	105	339	554	554	-	0,00%
Expenditure:						
Employees	3 266	5 817	4 658	5 208	5 597	16,78%
Repairs and Maintenance	-	-	12	2	-	0,00%
Other	566	677	1 146	1 096	270	-324,44%
Total Operational Expenditure	3 832	5 494	5 816	6 306	5 867	0,87%
Net Operational Expenditure	3 727	5 155	5 262	5 752	5 867	10,31%

Table 114: Capital Expenditure: Human Resource Services

R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0

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COMMENT ON HUMAN RESOURCE SERVICE PERFORMANCE OVERALL

Continuous appointments have been made to address shortage of staff in all Directorates. Appointment of general workers and Director Infrastructure Management has impacted positively towards service delivery.

The municipality is in the process of reviewing the organisational structure and will be submitted to Council for approval. Capacitation of workforce is still a challenge since the department could not effectively implement planned training interventions.

Leave administration is no longer a challenge for the municipality since leave is no longer captured manually but captured on the Pay Day system.

Employee Wellness Program has been established to address employee's problems in the workplace, improve the general health, help to overcome personal problems ranging from substance abuse, stress, burnout, as well as emotional well-being. Activities are planned in such a way that they incorporate Five pillars of wellness:

1. Physical Wellness;
2. Emotional Wellness;
3. Financial wellness;
4. Spiritual Wellness; and
5. Social Wellness.

3.25 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information and Communications Technology (ICT) remains an internal function, that is performed by a team of five people. The departments duties are to support the entire municipality with a range of technology services such as hardware and software, solutions project management, e.g.:

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- LAN / WAN management
- General maintenance (PC's, Servers, Printers, Networking, etc.)
- Procurement of hardware and software
- Systems administration
- SLA management (Service providers)

ICT maintains a 95% uptime on all services, with 5% reserved for infrastructure maintenance. We continually strive to move Moqhaka into being a technologically advanced municipality.

SERVICE STATISTICS FOR ICT SERVICES

Number of power back-up batteries installed	16
Number of VoIP/PABX systems installed	76/101
% of employees trained on new telephone system	100%
% of call centre employees trained on new system	100%

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Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Institutional Development

KPA: Municipal Transformation and Institutional Development

IDP Priority 25: ICT

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Target	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL77	Ensure that the effective and efficient system master plan	Municipal Transformation and Institutional Development	Review ICT policy and Strategy	Date ICT policy and Strategy approved by Director	Director Corporate Services	NEW KPI	NEW KPI	Reviewed ICT Policy and Strategy	Reviewed ICT Policy and Strategy	Target Achieved	None	Reviewed ICT Policy and Strategy	New KPI therefore no comparison could be made.
TL78	Installation of Voice over Internet Protocol (VoIP) telephone system.	Municipal Transformation and Institutional Development	% of municipal sites connected through VoIP telephone system on 31 Dec 2017	Number of municipal sites/divided by Number of sites operational	Director Corporate Services	NEW KPI	70%	75%	60%	Target not Achieved. Supply Chain Processes in progress	Appoint Service Provider.	List of Sites operational	The performance of the municipality decreased compared to the last financial year.
TL79	To ensure that an effective helpdesk is implemented	Municipal Transformation and Institutional Development	% of user complaints handled within 48 hours	Number of complaints received/complaints resolved within 48 hours	Director Corporate Services	NEW KPI	95%	90%	95%	Target Achieved	None	Complaints Register	Performance was maintained.

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Table 115: Employees: ICT Services

Employees: ICT Services						
Job Level	2015/16	2017/18	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	1	1	1	1	1	100%
4 - 6	0	0	1	1	1	100%
7 - 9	2	2	1	1	1	100%
10 - 12	2	2	2	2	2	100%
13 - 15	0	0	0	0	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	5	5	5	5	5	100%

Table 116: Financial Performance: ICT Services

Financial Performance 2017/18: ICT Services						
R'000						
Details	2015/16	2017/18	2017/18			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-				0,00%
Expenditure:						
Employees	2 036	1 663	840	257	2 472	25,57%
Repairs and Maintenance	487	450	870	1 854	648	-188,58%
Other	4 142	5 795	106	12 046	4 181	-141,71%
Total Operational Expenditure	6 665	7 908	816	14 157	7 301	-89,23%
Net Operational Expenditure	6 665	7 908	816	14 157	7 301	-89,23%

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Table 117: Capital Expenditure: ICT Services

Capital Expenditure 2017/18: ICT Services					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	250 000	500 000	692 077	64%	0
Laptop and Desktop	250 000	500 000	692 077	64%	

3.26 LEGAL AND COUNCIL SUPPORT SERVICES

INTRODUCTION TO LEGAL AND COUNCIL SUPPORT SERVICES

The continuous development of by-laws is a priority. A total of six new by-laws were developed and subjected to public participation process. A Contract Management Policy was developed and approved. This policy is in an early implementation phase.

Effective Committee services were provided to the Council and the various committees. These services were also provided during public meetings and roadshows.

SERVICE STATISTICS FOR LEGAL AND COUNCIL SUPPORT SERVICES

Number of By-Laws developed	6
Number of ordinary Council meetings convened	3
% of Council, MAYCO and Committee agendas delivered on time	100%
Number of quarterly reports submitted to Council on tracking of council resolutions	0

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Policy Objectives taken from IDP and SDBIP

Municipal Scorecard Perspective: Institutional Development

KPA: Municipal Transformation and Institutional Development

IDP Priority 23: Legal Services and Support Services

KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Target	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL63	To facilitate the optimal functioning of Council	Municipal Transformation and Institutional Development	% of Council Resolutions implemented within prescribed timeframe stipulated on resolution register	Number of council resolutions implemented within time frame divided by total Number of resolutions	Director Corporate Services	85%	85%	85%	85%	Target Achieved	None	Execution List	The municipality maintained its performance
TL64	To facilitate the optimal functioning of Council	Municipal Transformation and Institutional Development	Number of quarterly reports to Council on the tracking of council resolutions (submitted at the end of each quarter - Sept, Dec, Mar & Apr)	Number of reports submitted.	Director Corporate Services	0	0	4	0	Target Not Achieved. Item was referred back at Broad Management	Resubmit the Item to Broad Management	None	The municipality failed to achieve this target in the last three financial years.
TL82	To provide efficient and effective legal services	Municipal Transformation and Institutional Development	Number of by-laws developed and approved as per priority functional area	Number of by-laws developed	Director Corporate Services	NEW KPI	10	8	6	Target not achieved.	Five By-laws are in process to be advertised/ published in the Provincial Gazette, and the SPLUMA By-laws amendment was adopted at Council meeting of 19 June 2018	Council Minutes and by-laws	Target was not achieved. The performance decreased compared to 2017/18 financial year.

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KPI Ref	Municipal Strategy	KPA	KPI	Calculation	KPI Owner	2015/16 Results	2016/17 Results	2017/18 Annual Target	2017/18 Annual Target	Performance Comment	Corrective Measures	Evidence in Support of Performance	Comments
TL83	To facilitate the optimal functioning of Council	Municipal Transformation and Institutional Development	% of agendas for scheduled meetings distributed to Councilors and officials at least 48 hours before the meeting	Number of agendas distributed 48 hours before the meeting divided by the total Number of agendas distributed	Director Corporate Services	100%	98%	98%	98%	Target Achieved	None	Distribution List	The municipality maintained its performance
TL84	To facilitate the optimal functioning of Council.	Good Governance and Public Participation	% of Council resolutions distributed within 7 working days after each meeting	Number of council resolutions distributed within 7 days after each council meeting divided by Number of council resolutions taken	Director Corporate Services		98%	98%	98%	Target Achieved	None	Distribution List	The municipality maintained its performance
T85	To facilitate the optimal functioning of Council	Municipal Transformation and Institutional Development	Annual council schedule compiled and approved by end of June each year	Annual Schedule provided on or before due date	Director Corporate Services	0	1	1	1	Target Achieved in the third quarter	None	None	The municipality maintained its performance

Table 118: Employees: Legal and Council Support Services

Employees: Legal and Council Support Services						
Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	3	2	3	2	1	33%
4 - 6	0	0	3	0	3	100%
7 - 9	6	6	7	6	1	14%
10 - 12	8	2	8	2	6	75%
13 - 15	0	6	0	6	-6	0%
16 - 18	1	10	2	10	-8	-400%
19 - 20	34	0	21	0	21	100%
Total	52	26	44	26	18	41%

Table 119: Financial Performance: Legal and Council Support Services

Financial Performance 2017/18: Legal and Council Support Services						
R'000						
Details	2015/16	2016/17	2017/18			
	Actual		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(372)	34	262	174	127	-106,30%
Expenditure:						
Employees	10 762	5 965	11 229	4 764	8 082	-38,94%
Repairs and Maintenance	20	9	13 456	18	2	-672700,00%
Other	948	336	4 550	4 502	1 836	-147,82%
Total Operational Expenditure	11730	6310	11705	9284	9920	-17,99%
Net Operational Expenditure	12102	6276	11443	9111	9794	-16,84%

Table 120: Capital Expenditure: Legal and Council Support Services

Capital Expenditure 2017/18: Legal and Council Support Services					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0

COMMENT ON LEGAL AND COUNCIL SUPPORT SERVICE PERFORMANCE OVERALL

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No capital projects were undertaken for the year under review.

COMPONENT J: MISCELLANEOUS

No additional functions to report.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

Performance Management is a process, which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, and measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

The constitution of S.A (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of Performance management, with reference to the principles of inter alia:

- the promotion of efficient, economic and effective use of resources,
- accountable public administration
- to be transparent by providing information,
- to be responsive to the needs of the community,
- and to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

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In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.” Section 57 makes the employment of the Municipal Manager and Managers directly accountable to him subject to a separate performance agreement concluded annually before the end of July each year. Section 67 regards the monitoring, measuring and evaluating of performance of staff as a platform to develop human resources and to hold municipal staff accountable to serve the public efficiently and effectively. Performance Management, therefore, is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities.

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CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

The municipality is aiming at maximising the potential of staff and their contribution to service delivery and organisational performance. Human resources are the primary investment for the municipality and the municipality endeavour to maintain its investigation in its staff.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Table 121: Total Number of Employees

Description	Employees					
	2015/16	2016/17	2017/18			
	Employees	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	No.	%
Water and Sanitation	109	148	245	147	98	40%
Electricity	49	55	115	51	64	56%
Waste Management (Refuse)	114	128	156	126	30	19%
Housing	15	15	20	15	5	25%
Roads and Storm water	49	62	217	60	157	72%
Urban Planning	6	4	7	4	3	43%
Local Economic Development	0	0	3	0	3	100%
Fire and Rescue	31	36	44	36	8	18%
Call Centre	9	12	11	12	-1	-9%
Security and Safety	11	20	64	20	44	69%
Parks	83	119	134	117	17	13%
Office of the Executive Mayor	11	11	16	15	1	6%
Office of the Speaker	10	5	7	7	0	0%
Office of the Council Whip	3	2	4	3	1	25%
Municipal Manager, Audit & IDP	7	9	28	9	19	68%
						73%
Infrastructure & PMU	3	3	11	3	8	

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Employees						
Description	2015/16	2016/17	2017/18			
	Employees	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	No.	%
Corporate Services	50	65	93	65	28	30%
Public Safety	3	3	5	3	2	40%
Kroon park Resort	39	47	24	46	-22	-92%
Workshop/Fleet Management	5	11	18	11	7	39%
Finance	70	72	83	69	14	17%
Traffic	26	31	38	30	8	21%
Sports & Recreation	8	8	37	8	29	78%
Community & Social Services	2	2	4	2	2	50%
Totals	713	868	1384	859	525	38%

Table 122: Vacancy Rate

Vacancy Rate: 2017/18						
Designations	2016/17			2017/18		
	*Total Approved Posts	*Vacancies	*Vacancies (as a proportion of total posts in each category)	*Total Approved Posts	*Vacancies	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%	No.	No.	%
Municipal Manager	1	0	0,0%	1	0	0,0%
CFO	1	0	0,0%	1	0	0,0%
Other S57 Managers (excluding Finance Posts)	3	1	33,3%	3	1	33,3%
Other S57 Managers (Finance posts)	0	0	0,0%	0	0	0,0%
Traffic officers	38	15	39,5%	38	15	39,5%
Fire fighters	47	32	68,1%	47	32	68,1%
Senior management: Levels 13-15 (excluding Finance Posts)	19	9	47,4%	19	10	52,6%
Senior management: Levels 13-15 (Finance posts)	5	0	0,0%	5	1	20,0%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	42	26	61,9%	42	26	61,9%
Highly skilled supervision: levels 9-12 (Finance posts)	12	3	25,0%	12	3	25,0%
Total	168	86	51,2%	168	86	51,2%

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A high turnover rate may be costly to a Municipality and might negatively affect productivity, service delivery and institutional memory/Organisational knowledge. Below is a table that shows the turnover rate within the Municipality.

The table below indicates the turn-over rate over the last three years:

Table 123: Turn-over rate

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2013/14	1	53	5300%
2014/15	48	33	69%
2015/16	236	68	29%
2016/17	40	72	180%
2017/18	69	36	52%

COMMENT ON VACANCIES AND TURNOVER:

In May 2015 council approved the organisational structure. Critical and compliance positions that needed to be filled have been advertised and have been filled e.g. Director Infrastructure management, Manager Internal Audit and Chief Risk.

- During the 2017/2018, financial year a total number of 69 positions were advertised both internally and externally.
- Currently there is only one vacant position of Section 57 Manager (Director LED), the post has been advertised and recruitment is on process.
- Council also embarked on the process of reviewing HR policies, which will be submitted to relevant committees for consultation.
- Turnover is mainly because of terminations e.g. Death, Dismissals, and Resignation, Retirements, Abscondment and ending of contracts.

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COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

During the financial year 2017/2018 a total number of 69 positions were filled (25 external appointments, 03 contract appointment and 42 was internal appointments). Turnover is mainly because of deaths and retirements.

Council approved the new organisational structure in May 2015 and the structure is currently on review.

4.2 POLICIES

During the financial year 2017/18, three HR Policies were reviewed and approved by Council.

Table 124: HR Policies and Plans

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	0%	0%	Policy still to be drafted
2	Attraction and Retention	100%	100%	Policy not submitted to council yet
3	Code of Conduct for employees	100%	n/a	SALGBC/MSA
4	Delegations, Authorisation & Responsibility	100%	90%	Policy approved by council 2007
5	Disciplinary Code and Procedures	100%	n/a	SALGBC
6	Essential Services	100%	n/a	SALGBC
7	Employee Assistance / Wellness	100%	100%	Policy approved by council 07 November 2013
8	Employment Equity	100%	100%	Policy was reviewed and will be send to council for approval
9	Exit Management	0%	0%	Policy still to be drafted
10	Grievance Procedures	100%	n/a	SALGBC
11	HIV/Aids	100%	100%	Policy approved by council 07 November 2013
12	Human Resource and Development	100%	100%	Policy approved by council 07 November 2013
13	Information Technology	100%	100%	Policy approved by council 07 November 2013
14	Job Evaluation	100%	100%	Policy approved by council 22 August 2014
15	Leave	100%	100%	Policy approved in October 2009 & SALGBC
16	Occupational Health and Safety	100%	100%	Policy approved by council 07 November 2013
17	Official Housing	100%	100%	Policy approved by council 07 November 2013
18	Official Journeys	100%	100%	Policy approved by council 30 March 2016
19	Official transport to attend Funerals	100%	100%	Policy approved by council 28 October 2015
20	Official Working Hours and Overtime	100%	n/a	SALGBC
21	Organisational Rights	100%	n/a	SALGBC
22	Payroll Deductions	100%	100%	Policy approved by council October 2009
23	Performance Management and Development	100%	100%	Policy approved by council 30 March 2016

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HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
24	Recruitment, Selection and Appointments	100%	100%	Policy referred back by council for work-shopping
25	Remuneration Scales and Allowances	100%	n/a	SALGBC
26	Resettlement	100%	100%	Policy approved by council 13 October 2009
27	Sexual Harassment	100%	100%	Policy approved by council 13 October 2009 & review in progress.
28	Skills Development	100%	100%	Policy approved by council 07 November 2013
33	Other:			

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The municipality has embarked on a process of policy review for example the Recruitment and Employment Equity policy has been reviewed, workshops have been conducted and the draft policy will be taken to Council. In addition, council has approved the following policies:

- Confidentiality policy
- Cell phone allowance policy
- Vehicle Policy
- Internal Bursary Policy
- HIV/AIDS Policy
- Training & Development Policy
- Experiential Training & Internship Policy
- Civic Funeral Policy
- ICT Policy

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4.3 INJURIES, SICKNESS AND SUSPENSIONS

Table125: Number and Cost of Injuries on Duty

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	38	13	34%	8	R17 987.43
Temporary total disablement	163	1	1%	20	R65 345.00
Permanent disablement	243	1	0%	49	R56 217.00
Fatal	0	0	0%	0	
Total	444	15	35%	77	R 139 549.43

COMMENT ON INJURY AND SICK LEAVE:

Employees using IOD sick leave are submitting their progress medical report, we make follow up with the doctors and supervisors and we send them to any doctors according to the nature of the injury and the distance from their working places. Occupational Health and Safety liaise with HR IOD sick days to be recorded

Table 126: Number and Period of Suspensions

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
General Worker	Theft	20-Jan-17	Dismissal	27-Jul-17
General Worker	Theft	20-Jan-17	Dismissal	27-Jul-17
General Worker	Theft	20-Jan-17	Dismissal	27-Jul-17
Cashier	Theft	27-Jan-17	Dismissal	20-Dec-17

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Table 127: Disciplinary Action Taken on Cases of Financial Misconduct

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Cashier	Fraud/Theft Plus or Minus R1Million	Dismissal	20-Dec-17

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

All cases of suspension and cases of financial misconduct were handled and finalised.

4.4 PERFORMANCE REWARDS

In terms of regulation 8 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 Reg. 805 a bonus may only be paid after the municipal council has adopted the annual report of the year under review.

The majority of Managers (Directors) appointed in terms of Section 56 of the MSA are on fixed-term performance contracts. The Individual Performance Management System has not yet been cascaded down to the second reporting line of managers. Currently no performance bonus system or policy exists to pay bonus to non-section 57 employees. This will be put in place once the organisation achieves the necessary performance management maturity level.

The table below sets out the total number and cost of annual bonuses paid out to senior managers and fixed term contract employees for the 2017/18 financial year:

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Table 128: Performance Rewards by Gender

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2017/18 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female	No performance rewards paid during the year under review.			
	Male				
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female				
	Male				
MM and S57	Female				
	Male				
Total					

COMMENT ON PERFORMANCE REWARDS

There were no performances rewards issued to employees during the period under review.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the human resource capacity of a Municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The WSP 2017/18 and annual implementation plan 2017/18 was submitted to LGSETA on 30 April 2017. With submission of the report and implementation plan thereof, the Municipality will be received reimbursement of 20% of total levies paid to SARS from LGSETA.

Chapter 4

Training Programmes are not effectively implemented as planned. Some department do not submit their departmental training programme to up-skill the staff before the submission of the Municipal Workplace Skills Plan and thus affect the implementation process since the departmental heads for implementation will request some programmes after the submission of Workplace Skills Plan to the Local Government Sector and Training Authority.

Improvements made in terms of capacity building by the municipality

- A total amount of R 241 537, 47 was received by the municipality as a mandatory grant from LGSETA after submission of WSP & ATR 2017/2018.
- With the mandatory grant received from LGSETA and the municipal budget a total number of 69 employees were trained on the following courses:
 - Traffic officer diploma : 8
 - Water & waste water treatment learner ship : 23
 - Water & waste water treatment (RPL) : 9
 - HRD for good municipal governance : 2
 - Evidentiary alcohol testing : 4
 - Municipal leadership media & stakeholders engagement : 1
 - Engineering mentorship programme : 1
 - National Housing Needs Register : 9
 - Peace Officer : 12

Challenges facing capacity development in the municipality

- Slow implementation of the Workplace Skills Plan (WSP) is still a challenge
- Poor submission of skills audit forms, which makes it difficult for the section to identify and plan relevant training needs for each employee.
- Assessment of the value of training in the municipality.

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4.5 SKILLS DEVELOPMENT AND TRAINING

Table 129: Skills Matrix

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2017	Number of skilled employees required and actual as at 30 June 2017/18											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of 2016/17	Actual: End of 2017/18	2018/19 Target	Actual: End of 2016/17	Actual: End of 2017/18	2018/19 Target	Actual: End of 2016/17	Actual: End of 2017/18	2018/19 Target	Actual: End of 2016/17	Actual: End of 2017/18	2018/19 Target
MM and s57	Female	2	-			1	1	2			2	1	1	4
	Male	3	-			2	1	3			3	2	1	6
Councillors, senior officials and managers	Female	20	-					12		2	15	5	2	27
	Male	46	-				1	26			20	6	1	46
Technicians and associate professionals*	Female	4	-					2			2			4
	Male	71	-					30			30	7		60
Professionals	Female	5	-			1		3			3	2		6
	Male	12	-				1	6			6	3	1	12
Sub total	Female	31	-				1	19		2	22	8	1	41
	Male	132	-				3	65			59	8	3	124
Total		323	0	0	0	4	8	168	0	4	162	42	10	330

Chapter 4

Table 130: Financial Competency Development: Progress Report

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials	24	0	24	12	5	21
<i>Accounting officer</i>	1	-	1	1	1	1
<i>Chief financial officer</i>	1	-	1	-	1	1
<i>Senior managers</i>	10	-	10	5	3	9
<i>Any other financial officials</i>	12	-	12	6	-	10
Supply Chain Management Officials	0	0	0	0	0	0
<i>Heads of supply chain management units</i>	-	-	-	0	-	-
<i>Supply chain management senior managers</i>	0	-	0	0	0	0
TOTAL	24	0	24	12	10	21

Chapter 4

Table 131: Skills Development Expenditure (Check if figures are correct)

Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	2								
	Male	3								
Legislators, senior officials and managers	Female	26								
	Male	73								
Professionals	Female	8								
	Male	9								
Technicians and associate professionals	Female	4								
	Male	65								
Clerks	Female	71								
	Male	53								
Service and sales workers	Female	42								
	Male	56								
Plant and machine operators and assemblers	Female	1								
	Male	59								
Elementary occupations	Female	163								
	Male	269								
Sub total	Female	317	15000	0	53000	19328	106100	45824	174000	65152
	Male	587	15000	0	53000	16830	106100	57250	174000	74080
Total		904	30 000	0	106 000	36 158	212 200	103 074	348 000	139 232

Chapter 4

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

Expenditure on financial competency regulations:

- A training provider has been appointed by the municipality (on panel of service provider) for continuous implementation of municipal officials on Municipal Financial Management Programme.
- Other officials from Finance Department are sufficiently capacitated; eleven (11) officials attended CPMD.

Adequacy of training plans and the effectiveness of its implementation

- Municipality to conduct a skills audit process again, for review of training needs identified on the previous audit.
- Training and Development Section consulted all municipal sections for submission of training needs to be included on the Work Place Skills Plan and PIVOTAL Plan **2017/2018**, and the document has been submitted to LGSETA on the **30 April 2018**.
- Training are implemented as per Work Place Skills Plan.
- Municipal Training Committee is functional.

Adequacy of funding

- The funding can decrease in future depending on the total number of trained employees and skills needs addressed, it can also increase depending on changes of technology, legislations and turnover that will be experienced by the municipality.
- Currently the value of training activities is not assessed, as the municipality does not have a performance management system in place.

Chapter 4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Section 66 of the MSA states that the Accounting Officer of a Municipality must report to the Council on all expenditure incurred by the Municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

4.6 EMPLOYEE EXPENDITURE

The success or failure of a municipality depends on the quality of its political leadership, sound governance of its finances, the strength of its institutions and the calibre of staff working for the municipality.

Although sound financial governance is perceived to be most important, without proper personnel management, municipalities are likely to have trouble. This has become increasingly evident in a number of large municipalities that have recently found themselves in precarious financial situations, and is certainly true of many smaller municipalities. An analysis of municipal finances suggests that personnel issues lie at the heart of many of the financial problems experienced by municipalities.

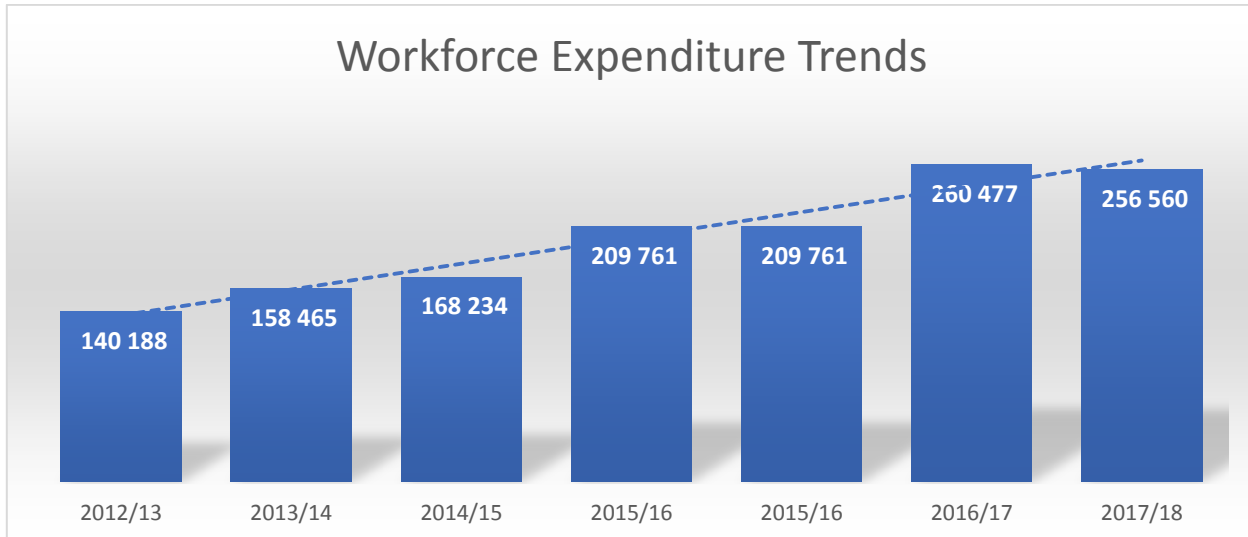
At an aggregate level, about 30 per cent of the total municipal operating budget is spent on the remuneration of personnel.

Municipalities are required to carry out quality services in an effective, efficient and financially sound manner by supporting the principles of ensuring cost-effective and affordable service delivery. Accountability and transparency are, therefore, important when managing workforce expenditure. If the Municipality wants to be effective, it is important to ensure that the Municipality plan properly. To ensure that the Municipality adhere to legislation, only approved and budgeted posts on the structure are advertised. The training and development of internal staff are aimed at ensuring that they are able to perform their duties better.

As can be seen from the graph below the workforce expenditure is on an upward curve since 2011. Demands by Labour have led to a steady increase in workforce expenditure despite a very slow economy. If the trend below continues, in the future further pressure will be placed on the municipality's limited resources and will necessitate increases in tariffs that will place a greater burden on the ratepayers.

Chapter 4

Figure 13: Workforce Expenditure trends



COMMENT ON WORKFORCE EXPENDITURE:

Table 132: Number of Employees Whose Salaries Were Increased Due to Their Positions Being Upgraded

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels9-12)	Female	0
	Male	0
Senior management (Levels13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		0

Chapter 4

Table 133: Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
	None			

Table 134: Employees appointed to posts not approved

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
	None			

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

There was no upgrade of positions due to job evaluation for the financial year 2017/18. Some variances are legacy issues that occurred because of previous amalgamation.

Chapter 6

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of the following three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

*Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.*

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The following sections provide an overview of the financial results of the Municipality for the year under review per economic classification compared to the prior year audited results, the original and final adjustments budget.

Table 135: Financial Summary

Description	2015/16	2016/17	Current:2017/18			2017/18 Variance	
	Actual	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance							
Property rates	46 125	48 467	65 709	67 069	52 375	-25.46%	-28.06%
Service charges	344 128	356 697	467 476	475 022	380 576	-22.83%	-24.82%
Investment revenue	4 026	2 271	872	872	1 254	30.46%	30.46%
Transfers recognised-operational	169 604	165 268	160 968	160 968	161 672	0.44%	0.44%
Other own revenue	99 378	135 440	41 547	34 873	90 257	53.97%	61.36%
Total Revenue (excluding capital transfers and contributions)	663 261	708 143	736 572	738 804	686 134	-7.35%	-7.68%
Employee costs	176 079	209 760	214 458	209 811	229 462	6.54%	8.56%
Remuneration of councillors	16 757	17 825	18 543	17 195	16 777	-10.53%	-2.49%
Depreciation & asset impairment	107 784	108 847	8 712	8 712	110 613	94.61%	94.61%
Finance charges	7 141	8 562	2 699	2 354	19 822	86.38%	88.12%
Materials and bulk purchases	186 168	219 313	234 531	228 540	225 422	-4.04%	-1.38%
Transfers and grants	-	-	-	-	-	0.00%	0.00%
Other expenditure	162 235	238 464	241 164	248 277	171 523	-40.60%	-44.75%
Total Expenditure	656 164	802 771	720 107	714 889	824 748	12.69%	13.32%
Surplus/(Deficit)	7 097	(94 628)	16 465	23 915	(138 614)	111.88%	117.25%
Transfers recognised - capital	70 744	130 300	-	-	54 215	100.00%	100.00%
Contributions recognised - capital & contributed assets	-	-	-	-	-	0.00%	0.00%
Surplus/(Deficit) after capital transfers & contributions	77 841	35 672	16 465	23 915	(84 399)	119.51%	128.34%
Share of surplus/ (deficit) of associate	-	-	-	-	-	0.00%	0.00%
Surplus/(Deficit) for the year	77 841	35 672	16 465	23 915	(84 399)	119.51%	128.34%
						-	-
Capital expenditure & funds sources							
Capital expenditure	78 181	0	102 688	72 923	59 252	-73.31%	-23.07%
Transfers recognised - capital	73 339	-	86 349	49 178	54 215	-59.27%	9.29%
Public contributions & donations	-	-	-	-	-	0.00%	0.00%
Borrowing	-	-	-	-	-	0.00%	0.00%
Internally generated funds	4 842	-	16 339	23 745	5 037	-224.38%	-371.41%
Total sources of capital funds	78 181	-	102 688	72 923	51 278	-100.26%	-42.21%
Financial position							
Total current assets	156 961	203 477	156 961	129 259	219 681	28.55%	41.16%
Total non-current assets	2 428 898	2 450 769	2 428 899	2 405 742	2 398 718	-1.26%	-0.29%
Total current liabilities	144 760	138 911	144 760	145 344	114 080	-26.89%	-27.41%
Total non-current liabilities	94 077	94 100	94 077	93 381	91 857	-2.42%	-1.66%
Community wealth/Equity	2 347 023	2 370 928	2 347 022	2 296 276	2 412 561	2.72%	4.82%

Chapter 5

Description	2015/16	2016/17	Current:2017/18			2017/18 Variance	
	Actual	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
						-	-
Cash flows							
Net cash from (used) operating	87 510	78 337	81 747	74 875	51 858	-57.64%	-4.38%
Net cash from (used) investing	(78 181)	(108 679)	(102 688)	(72 094)	(55 483)	-85.08%	-29.94%
Net cash from (used) financing	(1 021)	(1 467)	(3 200)	(3 200)	(1 909)	-67.63%	-67.63%
Cash/cash equivalents at the year end	30 560	11 845	6 419	11 427	6 312	-1.70%	-81.04%
						-	-
Cash backing/surplus reconciliation							
Cash and investments available	30 793	11 584	30 794	11 651	6 312	-387.86%	-84.58%
Application of cash and investments	30 647	(1 467)	16 130	(3 500)	57 895	72.14%	106.05%
Balance - surplus (shortfall)	146	10 135	14 664	15 150	(57 895)	125.33%	126.17%
						-	-
Asset management							
Asset register summary (WDV)	2 428 665	2 450 648	2 428 666	2 238 171	2 399 718	-1.21%	6.73%
Depreciation & asset impairment	107 784	108 847	8 712	8 712	110 613	92.12%	92.12%
Renewal of Existing Assets	78 181	-	93 233	62 639	51 278	-81.82%	-22.16%
Repairs and Maintenance	53 479	52 561	69 071	67 334	56 586	-22.06%	-18.99%
						-	-
Free services							
Cost of Free Basic Services provided	20 015	26 514	32 620	32 620	43 661	25.29%	25.29%
Revenue cost of free services provided	-	-	-	-	-	0.00%	0.00%
Households below minimum service level							
Water:	5 440	6 895	9 189	9 189	12 212	24.75%	24.75%
Sanitation/sewerage:	5 251	6 657	10 169	10 169	12 527	18.82%	18.82%
Energy:	5 747	7 229	6 500	6 500	9 283	29.98%	29.98%
Refuse:	3 576	5 732	5 461	5 461	8 114	32.70%	32.70%
							T 5.1.1

Chapter 5

Table 136: Financial Performance of Operational Services

Financial Performance of Operational Services						
						R '000
Description	2016/17	2017/18			2017/18 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	44 024	101 218	61 955	58 261	-73.73%	-6.34%
Waste Water (Sanitation)	10 825	40 557	44 804	49 728	18.44%	9.90%
Electricity	223 245	319 455	275 341	265 040	-20.53%	-3.89%
Waste Management	13 584	27 801	40 667	44 573	37.63%	8.76%
Housing				-	0.00%	0.00%
Component A: sub-total	291 678	489 031	422 767	417 601	-17.10%	-1.24%
Waste Water (Storm water Drainage)	-	-	-	-	0.00%	0.00%
Roads	14 045	28 692	26 179	25 380	-13.05%	-3.15%
Transport	-	-	-	-	0.00%	0.00%
Component B: sub-total	14 045	28 692	26 179	25 380	-13.05%	-3.15%
Planning					0.00%	0.00%
Local Economic Development	-	10 303	35 813	23 309	55.80%	-53.64%
Component B: sub-total	-	10 303	35 813	23 309	55.80%	-53.64%
Planning (Strategic & Regulatory)					0.00%	0.00%
Local Economic Development					0.00%	0.00%
Component C: sub-total	-	-	-	-	0.00%	0.00%
Community & Social Services	41 349	57 362	84 070	133 549	57.05%	37.05%
Environmental Protection					0.00%	0.00%
Health					0.00%	0.00%
Security and Safety					0.00%	0.00%
Sport and Recreation					0.00%	0.00%
Corporate Policy Offices and Other	457 130	134 718	146 060	229 404	41.27%	36.33%
Component D: sub-total	498 479	192 080	230 130	362 953	47.08%	36.60%
Total Expenditure	804 202	720 106	714 889	829 243	13.16%	13.79%

COMMENT ON FINANCIAL PERFORMANCE

The municipality underperformed with regards to its total revenue budget for the 2017/18 financial year.

Chapter 5

5.2 GRANTS

Table 13745: Grant Performance

Grant Performance						
Description	R' 000					
	2015/16	2017/18			2017/18 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	163 688	-	-	-	-18%	-18%
Equitable share	158 519	-	-	-	0.00%	0.00%
Municipal Systems Improvement	-	-	-	-	0.00%	0.00%
Department of Water Affairs	-	-	-	-	0.00%	0.00%
Levy replacement	-	-	-	-	0.00%	0.00%
Financial Management Grant (FMG)	1 810	-	-	-	0.00%	0.00%
EPWP	1 000	-	-	-	0.00%	0.00%
LG SETA	343	-	-	-	-86.30%	-86.30%
Provincial Government:	1 580	-	-	-	0.00%	0.00%
Health subsidy					0.00%	0.00%
Housing					0.00%	0.00%
Ambulance subsidy					0.00%	0.00%
District Municipality:	-	-	-	-	0.00%	0.00%
<i>[insert description]</i>					0.00%	0.00%
					0.00%	0.00%
Other grant providers:	-	-	-	-	0.00%	0.00%
<i>[insert description]</i>					0.00%	0.00%
					0.00%	0.00%
Total Operating Transfers and Grants	165 268	-	-	-	-0.18%	-0.18%

Table 138: Grants received from sources other than Division of Revenue Act (DoRA)

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2014/15	Actual Grant 2017/18	2017/18 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals – No grants received						
Foreign Governments/Development Aid Agencies – No grants received						
Private Sector / Organisations – No grants received						

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

There are no variations in terms of grants received.

Chapter 5

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Assets of the municipality are managed under section 63 of the Municipal Finance Management Act and the asset management policy as approved by council at its sitting on the 31st of May 2017. The policy dealing with accounting (GRAP compliance) for assets, safeguarding and derecognition or disposals of assets.

Table 139: Treatment of the three largest assets acquired

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2017/18				
Asset 1				
Name	Transport Assets			
Description	Isuzu Truck FSR750 Crew CAB			
Asset Type	Motor Vehicle			
Key Staff Involved	Community and Social Services			
Staff Responsibilities				
Asset Value	2014/15	2015/6	2016/17	2017/18
				867 990
Capital Implications	None			
Future Purpose of Asset	Service Delivery			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset Management Policy			
Asset 2				
Name	Moweing Equipment			
Description	Slasher Falcom Heavy Duty			
Asset Type	Plant and Equipment			
Key Staff Involved	Community and Social Services			
Staff Responsibilities	Repairs and Maintenance			
Asset Value	2014/15	2015/16	2016/17	2017/18
				51 406
Capital Implications	None			
Future Purpose of Asset	Service Delivery			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset Management Policy			
Asset 3				
Name	Water pump			
Description	Pump Trash Honda WT30X			
Asset Type	Plant and Equipment			
Key Staff Involved	Technical Services			
Staff Responsibilities	Repairs and Maintenance			
Asset Value	2014/15	2015/16	2016/17	2017/18
				20 162
Capital Implications	None			
Future Purpose of Asset	Service Delivery			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			

Chapter 5

COMMENT ON ASSET MANAGEMENT:

Movable asset acquisitions for the 2017/18 financial year amounted to R3 million and the additions on immovable assets amount to R19 million. Work in progress including project completed in the financial year amount to R63.9 million. Intangibles acquisition made in the 2017/18 financial year relates to anti-virus acquisition amounting to R175 200. There were no additions to heritage assets, land and buildings for the 2016/17 financial year. The fair value adjustment on investment properties amounted to R15.9 million for the financial year.

Table 140: Repairs and Maintenance Expenditure

Repair and Maintenance Expenditure: 2017/18				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure 2016/17	69 071	67 334	56 586	-18%
Repairs and Maintenance Expenditure 2017/18	77 303	10 061	44 393	-43%

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The majority of the Repairs and maintenance expenditure for the 2017/18 has been reclassified to contracted services and materials as a result of the municipal Standard Chart of Accounts classification requirements which came into effect on the 01 July 2017.

Chapter 5

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

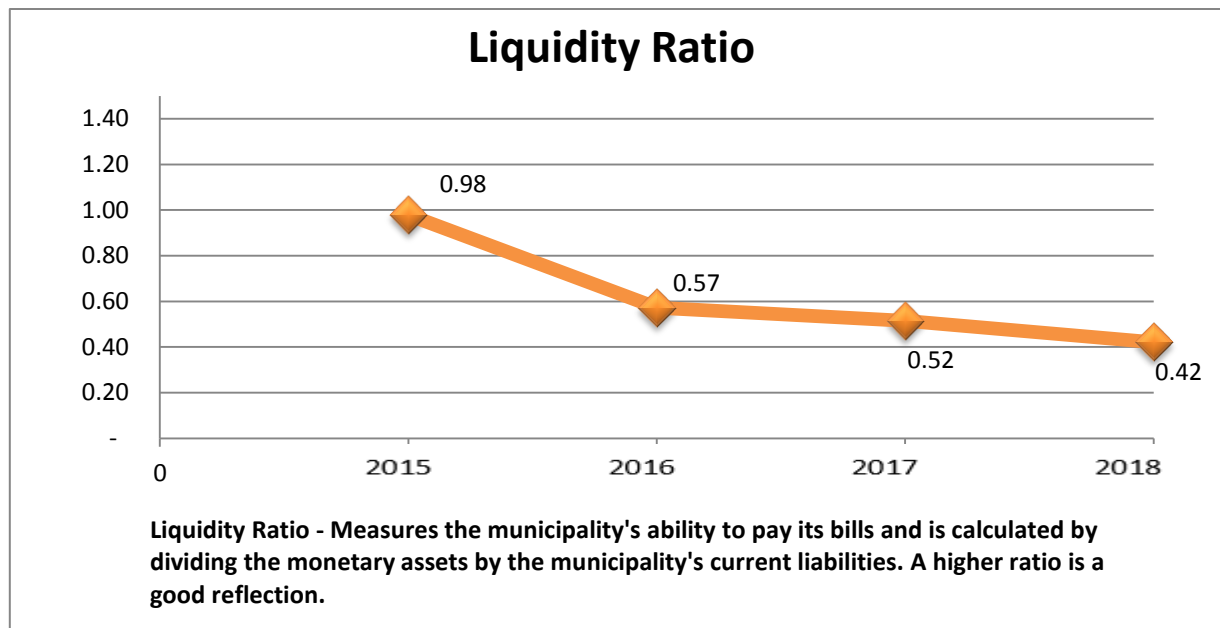


Figure 14: Liquidity Ratio

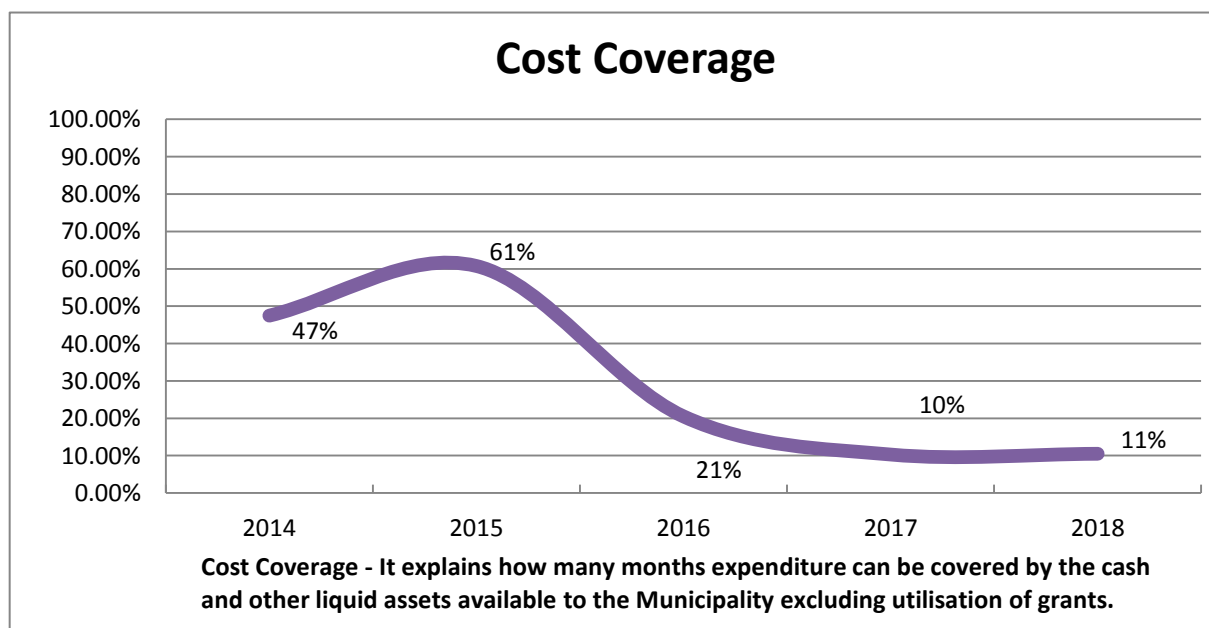


Figure 15: Cost Coverage Ratio

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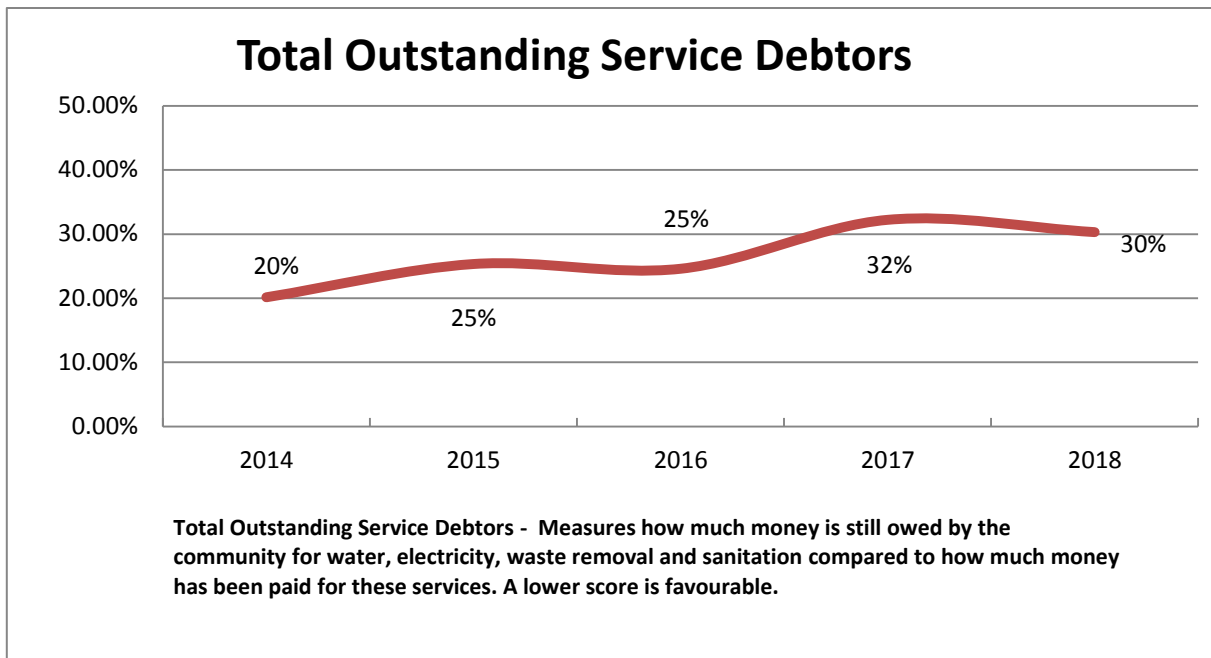


Figure 16: Ratio: Total Outstanding Service Debtors

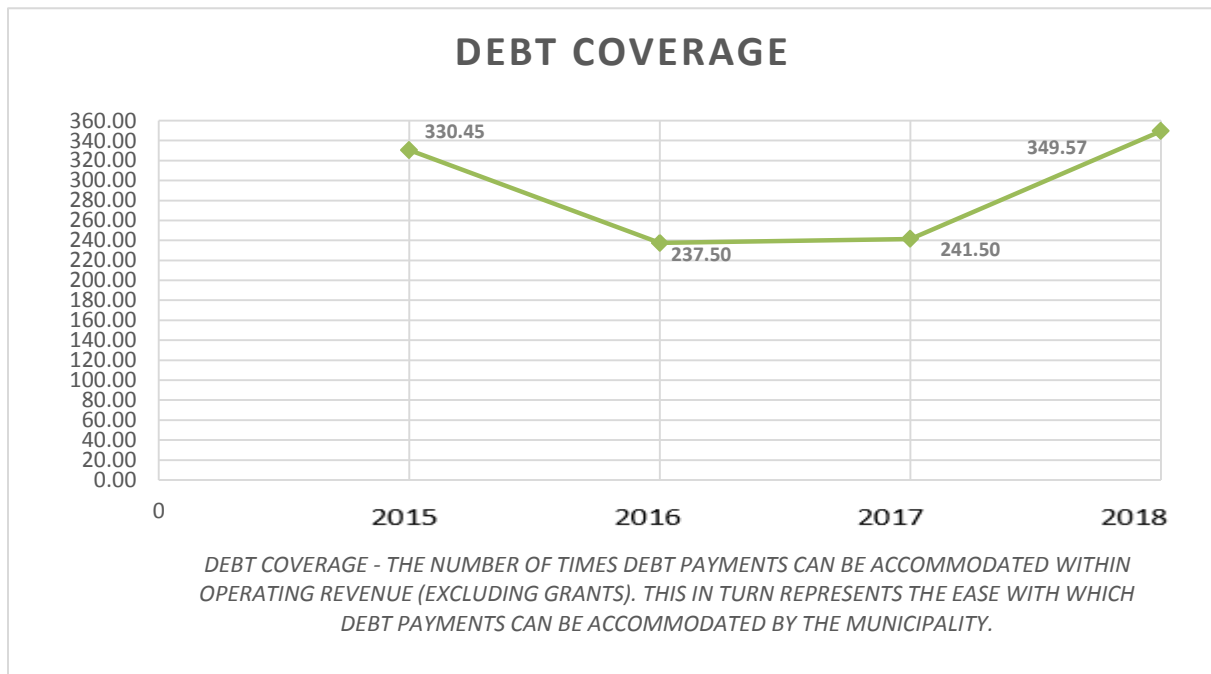


Figure 17: Debt Coverage Ratio

Chapter 5

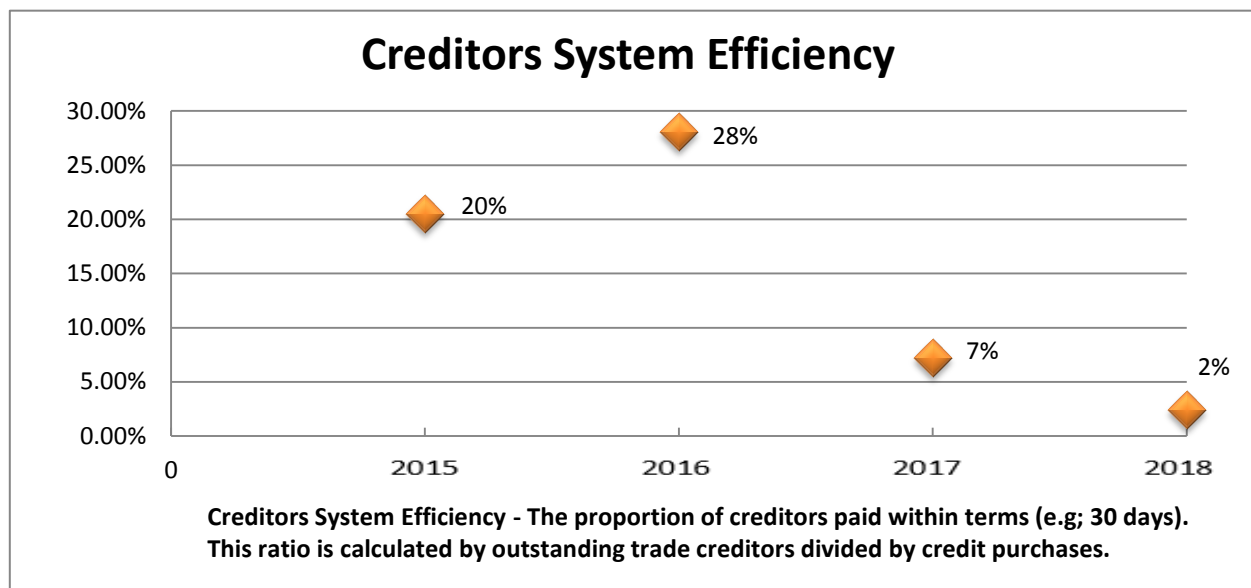


Figure 18: Creditor System Efficiency

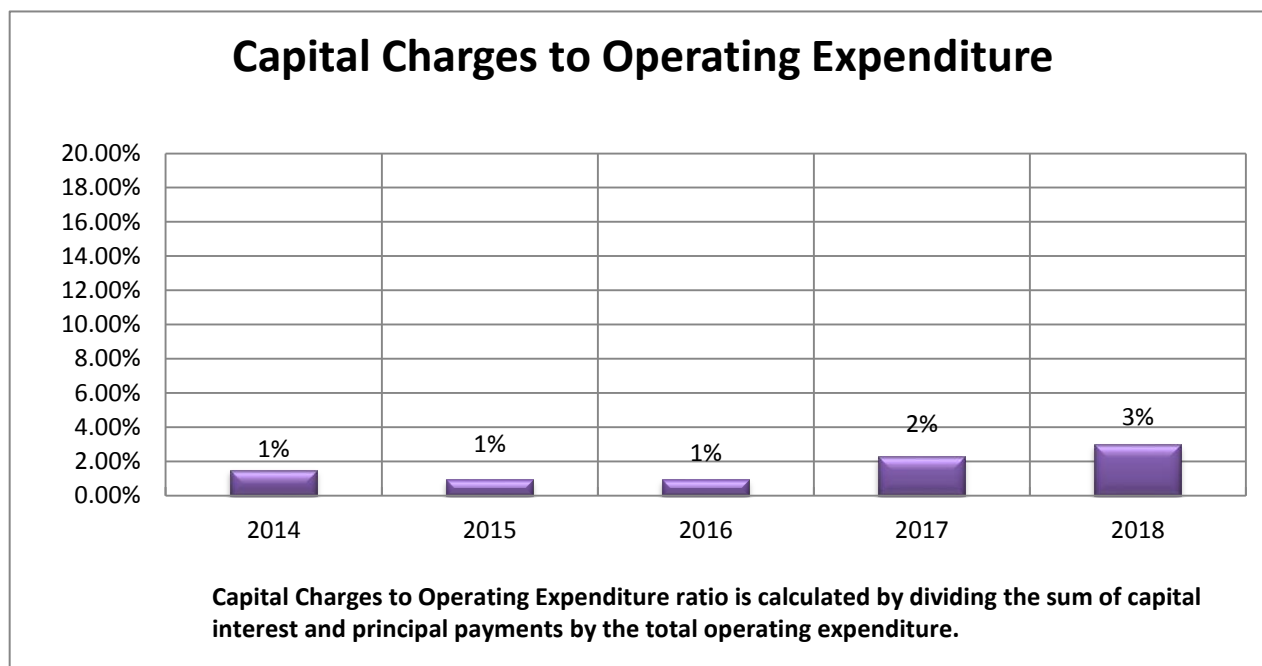


Figure 19: Capital Charges to Operating Expenditure

Chapter 5

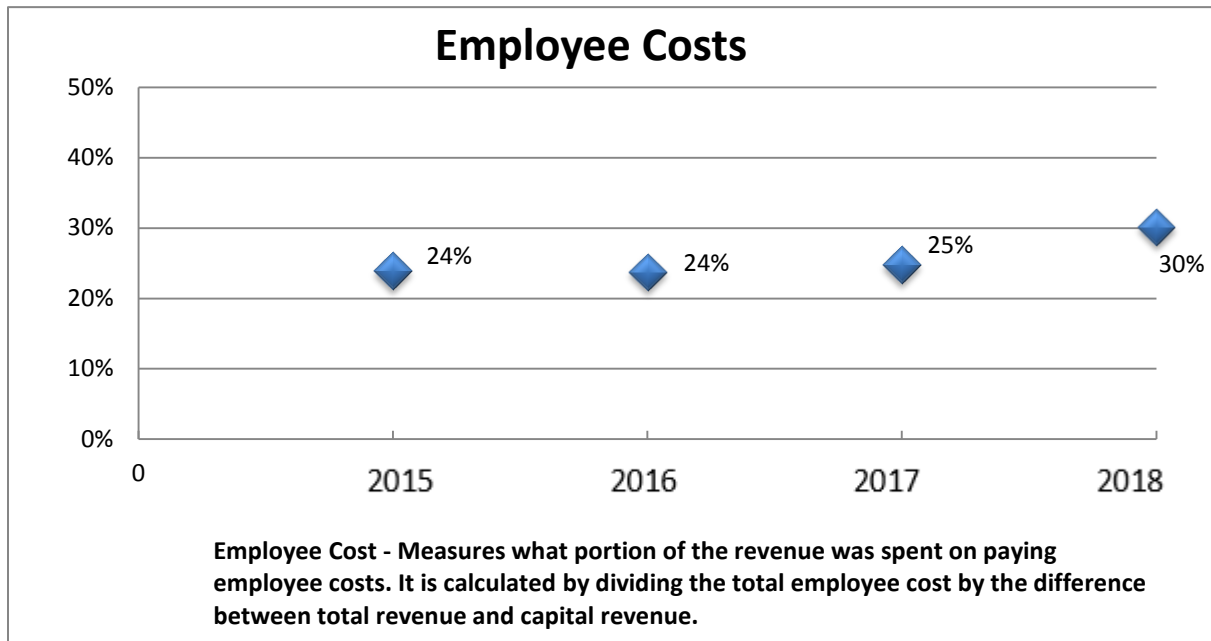


Figure 20: Employee Cost

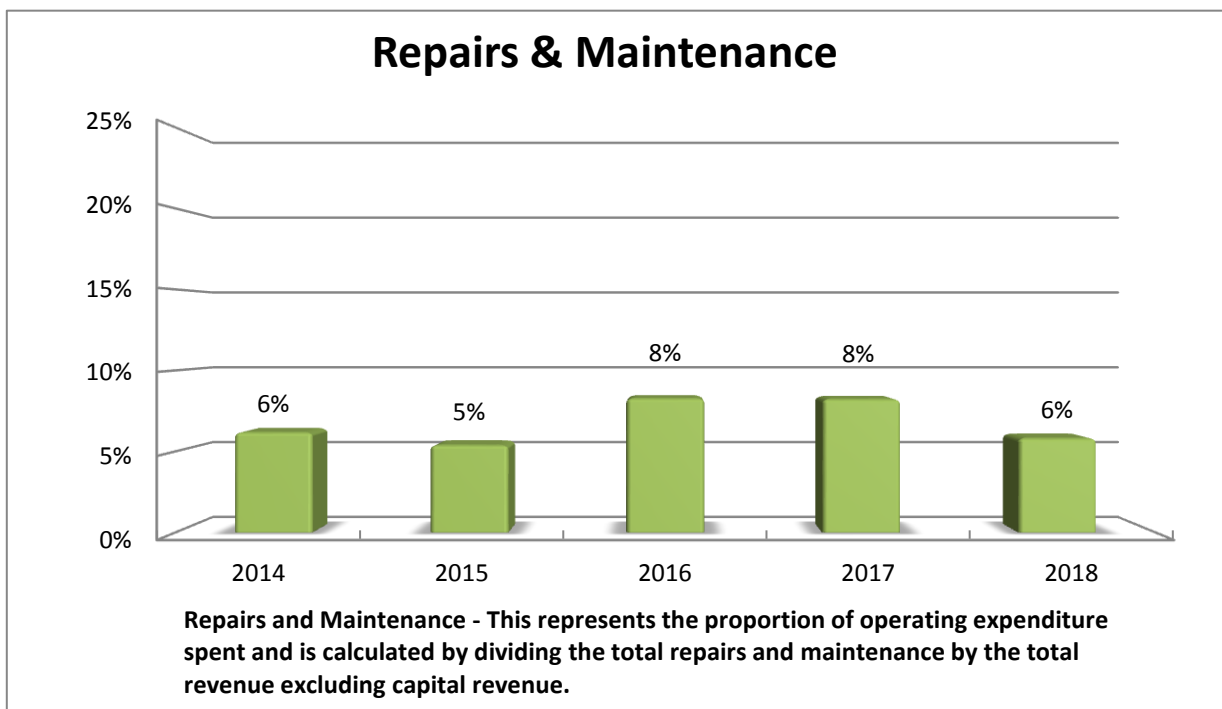


Figure 21: Repairs and Maintenance

Chapter 5

COMMENT ON FINANCIAL RATIOS:

Liquidity ratio – this ratio is unfavourable, as it is below the 1.5 as compared to the 0.5-1.5 of the previous financial year.

Cost Coverage ratio – this ratio proves to be unfavourable, as the liquid resources of the municipality cannot cover the costs for at least 1 month versus the norm of 1-3 months.

Total Outstanding Service Debtors ratio – this ratio is unfavourable as it reflects that 30% of the revenue raised annually is not collected/paid to the municipality. Which translates to an effective collection rate of 70%, which is below the norm of 95%.

Debt Coverage ratio – this ratio is favourable as it exceeds the norm of 8% in terms of debt repayments.

Creditors System Efficiency ratio – this ratio is unfavourable as the municipality could not honour its obligations on time due to cash flow problems and adverse economic conditions experienced during the 2017/18 financial year.

Capital Charges ratio – this ratio is favourable as it amounts to 3% which is well within the norm of 8%.

Employee Cost ratio – this ratio is favourable as it amounts to 30% which is well within the norm of 25% - 40%.

Repairs and Maintenance ratio – this ratio is unfavourable (6%) as it does not equate the minimum requirement of 8% of total operating expenditure. (The repairs and maintenance has diminished due to the reclassification of expenditure in terms of the municipal Standard Chart of Accounts).

Chapter 5

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component, it is important to indicate the different sources of funding as well as how these funds are spend. Highlight the five largest projects and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure (usually relating to new works and renewal projects) and to **Appendices M** (relating to the new works and renewal programmes), **N** (relating to the full programme of full capital projects, and **O** (relating to the alignment of projects to wards).

5.5 CAPITAL EXPENDITURE

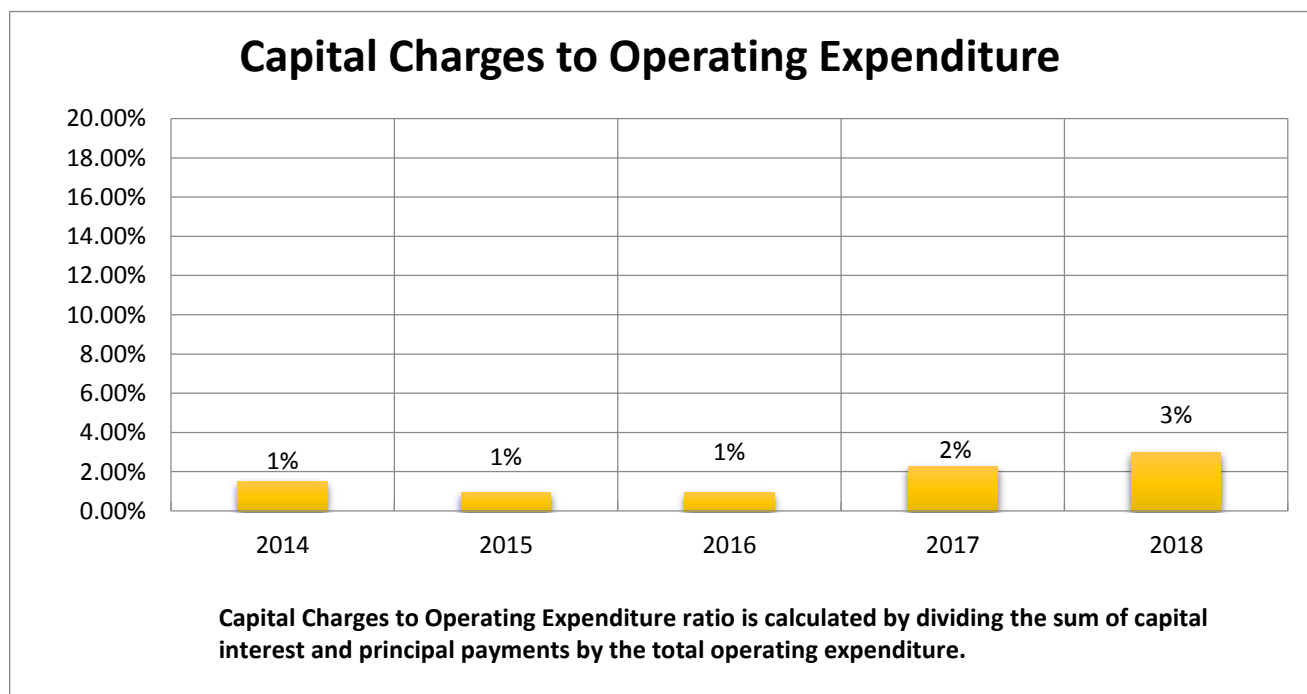


Figure 22: Expenditure Analysis

Chapter 5

5.6 SOURCES OF FINANCE

Table 141: Capital Expenditure Funding Sources

Capital Expenditure - Funding Sources: 2014/15 to 2016/17						
R' 000						
Details	2015/16	2016/17				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	-	-	-	-	0.00%	0.00%
Public contributions and donations	-	-	-	150	0.00%	0.00%
Grants and subsidies	92 598	86 349	49 178	49 028	-43.05%	-43.22%
Other	37 702	16 339	23 745	5 037	45.33%	-69.17%
Total	130 300	102 688	72 923	54 215	-28.99%	-47.20%
Percentage of finance						
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Public contributions and donations	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%
Grants and subsidies	71.1%	84.1%	67.4%	88.6%	-19.8%	5.4%
Other	28.9%	15.9%	32.6%	11.1%	104.6%	-30.1%
Capital expenditure						
Water and sanitation	56 757	55 826	18 568	12 617	-66.74%	-77.40%
Electricity	8 334	7 877	7 877	6 161	0.00%	-21.78%
Housing					0.00%	0.00%
Roads and storm water	24 590	28 778	36 249	30 800	25.96%	7.03%
Other	40 619	10 207	10 229	4 637	0.22%	-54.57%
Total	130 300	102 688	72 923	54 215	-28.99%	-47.20%
Percentage of expenditure						
Water and sanitation	43.6%	54.4%	25.5%	23.3%	-53.2%	-57.2%
Electricity	6.4%	7.7%	10.8%	11.4%	40.8%	48.1%
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Roads and storm water	18.9%	28.0%	49.7%	56.8%	77.4%	102.7%
Other	31.2%	9.9%	14.0%	8.6%	41.1%	-14.0%
T 5.6.1						

COMMENT ON SOURCES OF FUNDING:

The variation between the approved budget and the adjustment budget in terms of grant funding is as result of the Department of Water and Sanitation Project, of which the DWS took over the implementation element of this last phase of the project.

Chapter 5

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Table 142: Capital Expenditure: Five Largest Projects

Capital Expenditure of 5 largest projects*					
Name of Project	Current: 2017/18			Variance: Current 2017/18	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Maokeng: Upgrading of storm water system and channelling of vlei areas (Phase 1)	11 006	-	11 006	0%	100%
Upgrading of Loubserpark sports facility	12 505	-	12 505	0%	100%
Fencing water pump stations and treatment works - Phase 1	5 225	-	5 225	0%	100%
Fencing Sewer pump stations and treatment works - Phase 1	3 186	-	3 186	0%	100%
66kV Overhead line from Main sub to South sub and extension of Main and South sub - Phase 1	4 245	-	4 245	0%	100%
* Projects with the highest capital expenditure in 2017/18					
Name of Project - A	Maokeng - Upgrading of storm water system and channelling of vlei areas				
Objective of Project	To protect community against flooding next to the vlei area in Koekoe Village				
Delays	Rain				
Future Challenges	None				
Anticipated citizen benefits	Control of flooding and storm water in the area				
Name of Project - B	Upgrading of Loubserpark sports facility Phase 2				
Objective of Project	To provide a high quality sport facility for Kroonstad/Maokeng communities				
Delays	Technical specs				
Future Challenges	None				
Anticipated citizen benefits	State of the art sport facility for the community of Mqohaka LM				
Name of Project - C	Fencing water pump stations and treatment works - Phase 1				
Objective of Project	To protect pump stations against theft				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Safe taxpayers money as pumps and equipment is protected against theft				
Name of Project - D	Fencing Sewer pump stations and treatment works - Phase 1				
Objective of Project	To protect pump stations against theft				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Safe taxpayers money as pumps and equipment is protected against theft				
Name of Project - E	66kV Overhead line from Main sub to South sub and extension of Main and South sub - Phase 1				
Objective of Project	To secure power supply to Maokeng and Kroonstad				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	More secure power supply				

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Chapter 5

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Table 143: Service Backlogs

Service Backlogs as at 30 June 2018 Households (HHs)				
	*Service level above minimum standard 2017/18		**Service level below minimum standard 2017/18	
			No. HHs	% HHs
Water	32 794	100.0%	0	0.0%
Sanitation	32 544	99.4%	205	0.6%
Electricity	28 780	87.8%	4 014	14.0%
Waste management	32 794	100.0%	0	0.0%
Housing	32 544	99.4%	205	0.6%

Table 144: MIG Expenditure on backlogs

						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust- ments Budget	
Infrastructure - Road transport				0.0%	0.0%	
<i>Roads, Pavements & Bridges</i>	4 557	0	4 557	0.0%	-100.0%	None
<i>Storm water</i>	11 006	-	11 006	0.0%	-100.0%	None
Infrastructure - Electricity				0.0%	0.0%	
<i>Generation</i>				0.0%	0.0%	
<i>Transmission & Reticulation</i>				0.0%	0.0%	
<i>Street Lighting</i>	142	-	142	0.0%	-100.0%	None
Infrastructure - Water				0.0%	0.0%	
<i>Dams & Reservoirs</i>				0.0%	0.0%	
<i>Water purification</i>	5 225	-	5 225	0.0%	-100.0%	None
<i>Reticulation</i>				0.0%	0.0%	
Infrastructure - Sanitation				0.0%	0.0%	
<i>Reticulation</i>				0.0%	0.0%	
<i>Sewerage purification</i>	3 185	-	3 185	0.0%	-100.0%	None
Infrastructure - Other				0.0%	0.0%	
<i>Waste Management</i>	253	-	253	0.0%	-100.0%	None
<i>Transportation</i>				0.0%	0.0%	
<i>Gas</i>				0.0%	0.0%	
Other Specify:				0.0%	0.0%	
<i>Sports</i>	12 505	-	12 505	0.0%	-100.0%	None
<i>PMU</i>	1 476	-	1 476	0.0%	-100.0%	None
				0.0%	0.0%	
Total	38 349	-	38 349	0.0%	-100.0%	

COMMENT ON BACKLOGS:

Chapter 5

As can be seen the basic services backlogs have reduced over the past few years. The backlogs remaining will however require big infrastructure spending to eradicate and it should be borne in mind that existing infrastructure in some areas are dated and in need of major overhaul to prevent service interruptions.

Chapter 5

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The proper management of cash resources is paramount in ensuring viability and sustainable growth and development. The collective objectives of the cash and investment management is to ensure availability at all times of adequate liquid resources for operational purposes and investment in assets and maintaining optimal balance between available cash and cash investments. The municipality did not maintain significant investments due to pressing operational requirements and an effort to maintain creditors' payment within 30 days and addressing the long-term liabilities.

5.9 CASH FLOW

Table 145: Cash flow

Description	2016/17	Current Year 2017/18		
R thousands	Actual	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Government grants	216 622	247 317	209 317	243 327
Interest	20 772	14 567	14 567	23 565
Dividends	5	-	-	12
Cash receipts from customers	350 359	482 103	486 785	369 847
Other receipts	17 250	24 528	25 180	32 352
Total Receipts	605 008	768 515	735 849	669 103
Payments				
Employees	(224 307)	(257 503)	(266 210)	(264 054)
Suppliers	(290 187)	(501 784)	(433 914)	(293 029)
Finance charges	(19 822)	(2 699)	(2 354)	(25 171)
NET CASH FROM/(USED) OPERATING ACTIVITIES	50 692	6 529	33 371	86 849
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds from sale of property, plant and equipment				
Increase/ (decrease) of financial assets				
Payments				
Purchase of property, plant and equipment	(55 483)	(102 688)	(72 094)	(86 288)
Purchase of investment property	-	-	-	1 003
Purchase of intangible assets	-	-	-	(175)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(55 483)	(102 688)	(72 094)	(85 460)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase/(decrease) in Long-term loans	(1 262)	-	-	297
Increase/(decrease) in finance leases	(647)	(3 200)	(3 200)	(669)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 909)	(3 200)	(3 200)	(1 909)
Net increase in cash and cash equivalents	(6 700)	(24 141)	(419)	(1 015)
Cash and cash equivalents at the beginning of the year	30 560	30 560	11 846	11 846
Cash and cash equivalents at the end of the year	5 146	6 419	11 427	6 161

Chapter 5

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

This long-term borrowing is attributable to the Development bank of South Africa (DBSA), with a remaining repayment period of 9 years as at 30 June 2018. The municipality is servicing this debt in line with the agreement.

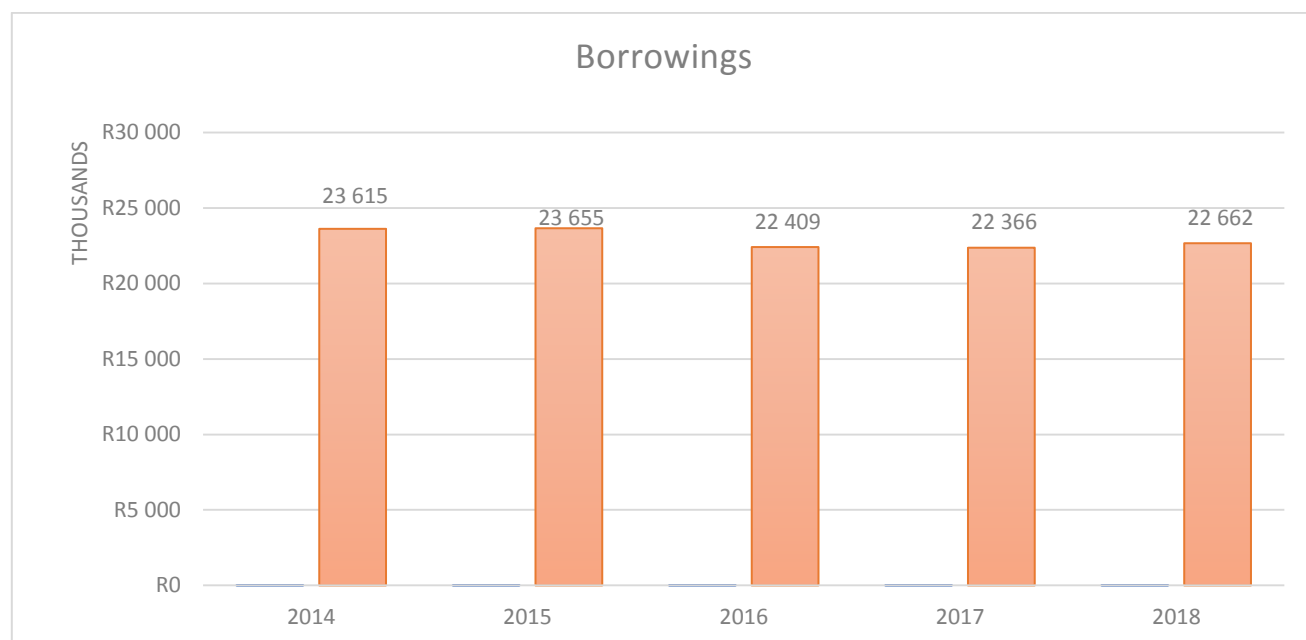


Figure 23: Actual Borrowings 2013/14 to 2017/18

Table 146: Municipal Investments

Municipal Investments R' 000				
Investment* type	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Actual
Municipality				
Deposits - Bank	15 142	6 349	1 166	125
Other	233	233	228	206
Municipality sub-total	15 375	6 582	1 394	331
Entities sub-total	-	-	-	-
Consolidated total:	15 375	6 582	1 394	331

Chapter 6

COMMENT ON BORROWING AND INVESTMENTS:

The municipality's investments were made in line with the municipal investment regulations GNR 308 01 April 2005.

5.11 PUBLIC PRIVATE PARTNERSHIPS

The municipality did not enter into any Public Private Partnerships during the 2017/18 financial year.

Chapter 5

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

COMMENTS ON SUPPLY CHAIN MANAGEMENT

The municipality's implementation of the supply chain unit is progressing slowly due to shortage of staff and a challenge of obtaining a credible supply Chain manager. Three of the existing supply chain officials have attained the required MFMA Competency level and the other eleven officials have not. The municipality has appointed a service provider to assist by offering the MFMP Course to the employees.

The municipality continues to make effort to revise the organogram of supply chain and employ independent and reputable officials within the SCM Unit.

The following tenders were awarded during the 2017-2018 financial year.

No	Contract No	Description of contract	Appointment date	Duration	Total Value Incl VAT
1	3/2/4/2015-16	Panel for Civil & Electrical Professional Services Providers to Compile Business Plans, Deigns and Project Management for a Period of Three Years	08-Aug-17	3 Years	-
2	3/2/12/2016-17	Panel for Repair & Maintenance of Faulty Vehicles	10-Aug-17	3 Years	-
3	4/2/2/2016-17	Supply & Delivery of Catering Equipment for Loubserpark	28-Aug-17	Once off	R 284 694
4	3/2/7/2016-17	Panel for Supply, Repair & Maintenance of Traffic Equipment for a period of Three Years	16-Oct-17	3 Years	-
5	3/2/9/2016-17	Panel for supply, Repair & Maintenance on High Voltage (66KV) Equipment within Moqhaka	16-Oct-17	3 Years	-
6	3/2/8/2016-17	Panel for Supply, Repair & Maintenance on Medium Voltage Equipment within Moqhaka	16-Oct-17	3 Years	-
7	3/2/10/2016-17	Panel for Supply Repair and Maintenance on High Voltage Cables within Moqhaka	16-Oct-17	3 Years	-
8	1/2/2016-17	Request for Proposal: Service of Auctioneers	04-Sep-17	6 Months	10% Commission
9	4/2/3/2016-17	Supply & Delivery of Weed Killer	28-Aug-17	2 Weeks	R 205 763
10	4/2/4/2016-17	Supply & Delivery Truck & Mobile Elevating Working Platform	28-Aug-17	1 Month	R 1 954 872
11	2/2/3/2017-18	Request for Proposal: Right to Display Advertising Signs	28-Aug-17	3 Years	-

Chapter 5

No	Contract No	Description of contract	Appointment date	Duration	Total Value Incl VAT
12	3/2/15/2016-17	Panel for supply & delivery of electrical equipment	28-Aug-17	3 Years	-
13	2/2/1/2016-17	Re-Advertisement: Panel for provision of legal services to council	28-Aug-17	3 Years	-
14	2/2/4/2016-17	Request for Panel for the Provision of Catering Services for Municipal Events at a range of Council Venues	01-Nov-17	3 Years	-
15	3/2/16/2016-17	Upgrading of Sewer Pump stations within Moqhaka Local Municipality	26-Oct-17	5 Months	R 7 927 654
16	3/2/17/2016-17	Upgrading of Water Pump stations in Kroonstad, Steynsrus and Viljoenskroon	26-Sep-17	5 Months	R 6 742 513
17	3/2/18/2016-17	Installation of Metered Water Connection in Maokeng, Kroonstad	15-Feb-18	5 Months	R 436 423
18	3/2/1/2017-18	Panel for Refurbishment/Repair of Faulty Public Lights in Moqhaka Local Municipality	15-Feb-18	3 Years	-
19	3/2/2/2017-18	Refurbishment of MV & LV Overhead Lines in Seeisoville & Phomolong Phase 1	16-Nov-17	7 Months	R 1 921 459
20	4/2/1/2017-18	Supply of a Major Pump Unit for the Fire Brigade Division	15-Feb-18	3 Years	R 4 312 157
21	3/2/3/2017-18	Re-Advertisement: Panel for Supply, Repair, Replacement and Maintenance on Electricity Meters	10-Oct-17	3 Years	-
22	1/2/1/2017-18	Short Term Insurance	31-Oct-17	3 Years	R 2 050 692
23	3/2/4/2017-18	Fencing of Steynsrus & Matlwangtlwang Municipal Premises	26-Oct-17	3 Months	R 522 773
24	3/2/6/2017-18	Refurbishment of Viljoenskroon WTW	10-Oct-17	4 Months	R 7 841 513
25	3/2/5/2017-18	Installation of Telemetry, Bulk Water Meter & Repair/Replacement of Valves	17-Nov-17	1 Year	R 9 927 524
26	2/2/2/2017-18	Supply and Delivery of Laptops and Desktops.	14-Feb-18	Once off	R 980 567
27	2/2/1/2017-18	Supply & Delivery of Protective Clothing / Equipment for Moqhaka Municipality for a Period of Three (3) Years	12-Mar-18	3 Years	-
28	3/2/8/2017-18	Assess, Prepare the Technical Report with findings & Repair or Replace some faulty mechanical & electrical components at Viljoenskroon WWTW	23-Mar-18	6 Months	R 846 074
29	3/2/9/2017-18	Installation of Seven (7) Highmast Lights in Moqhaka Local Municipality	23-May-18	6 Months	R 2 147 220
30	3/2/16/2017-18	Installation of Metered Water Connection in Maokeng Kroonstad	25-Jun-18	6 Months	R 2 499 626

Chapter 5

5.13 GRAP COMPLIANCE

COMMENTS ON GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The municipality complies with the requirements of all GRAP standards, which are effective and applicable to its environment. On a yearly basis, the Accounting Standard Board issues new/updated/revised standards, which are implemented accordingly by the municipality.

GRAP STANDARDS	
Audit Report Status*:	Unqualified Audit Opinion
Standards not yet adopted	Remedial Action Taken
GRAP 32: Service Concession Arrangements: Grantor	Not yet effective.
GRAP 34: Separate Financial Statements	Not yet effective
GRAP 38: Disclosure of Interest in Other Entities	Not yet effective
GRAP 109: Accounting by Principals and Agents	Not yet Effective.
GRAP 20: Related Party Disclosures	Not yet effective.
GRAP 108: Statutory receivables	No yet effective.
GRAP 110: Living and Non-living resources	Not yet effective
SW23/	

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The following table outlines the municipality's performance in the Audit outcomes from prior year to current financial year.

Refer to the Annual Financial Statements set out in Volume II and the timescale for the audit of these accounts and the audit of performance and the production of reports on these matters by the Auditor General as set out in this Chapter.

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2016/17

6.1 AUDITOR GENERAL REPORTS 2016/17

Auditor-General Report on Financial Performance: 2016/17	
Audit Report Status:	Unqualified Audit Opinion
Non-Compliance Issues	Remedial Action Taken
Annual Financial Statements	Management has implemented controls by appointing a Professional Accountant to prepare the AFS, to ensure that the municipality complies with the requirements of section 122 of the MFMA.
Procurement and Contract Management	The SCM processes are been reviewed and improved on an ongoing basis, to ensure that all goods acquired by the municipality are in compliance with all SCM requirements.
Asset Management	The controls will be revisited and improved, to ensure that the investment reporting is in line with the requirements of the Municipal Investment Regulation 3 (3).
Expenditure Management	Controls have been implemented / improved to ensure that the irregular, fruitless and unauthorised expenditure is prevented by the municipality in line with section 62 (1) (d) of the MFMA.
Budget Management	The municipality has migrated to the mSCOA System, which will assist the municipality with budget maintenance and ensure compliance with section 62 (1) (d) of the MFMA.
Human Resource Management	Management to implement controls to monitor, measure and evaluate performance of staff as required by section 67 (1) (d) of the MSA.
Consequence Management	The municipality has established a Section 32 Committee, which is a committee of Council. To investigate and hold accountable all those officials who are contravening section 32 of the MFMA. A bulk of this S32 Expenditure relates to prior financial years, which are been investigate by the Committee.

Chapter 5

Auditor-General Report on Service Delivery Performance: 2016/17	
Audit Report Status:	Unqualified Audit Opinion
Non-Compliance Issues	Remedial Action Taken
None	None.

Chapter 6

COMPONENT B: AUDITOR-GENERAL OPINION 2017/18 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT 2017/18

Auditor-General Report on Financial Performance: 2017/18*	
Audit Report Status*:	Unqualified Audit Opinion
Non-Compliance Issues	Remedial Action Taken
T 6.1.1	

Auditor-General Report on Service Delivery Performance: 2017/18**	
Status of audit report**:	Unqualified Audit Opinion
Non-Compliance Issues	Remedial Action Taken
Annual Report	The controls has been implemented to ensure that the Oversight report on the Annual Report is adopted as required by section 129 (1) of the MFMA.
T 6.2.2	

Chapter 6

AUDITOR GENERAL REPORT ON THE ANNUAL FINANCIAL STATEMENTS: 2017/18

Report of the auditor-general to the Free State Legislature and the council on the Moqhaka Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Moqhaka Local Municipality set out on pages **XX** to **XX**, which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Moqhaka Local Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practise (SA standards of GRAP) and the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2017 (Act No. 3 of 2017) (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

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7. Note 52 to the financial statements indicates that the current liabilities exceeded current assets by R207 570 417 (2017: R134 909 475) and the municipality also owed Eskom R267 743 082 (2017: R210 676 280) at 30 June 2018, R226 318 356 of which was overdue for a period longer than 30 days. Furthermore, as reflected in note 15, trade payables from exchange transactions increased to R343 713 263 (2017: R259 132 464) as at year-end. These conditions, along with the other matters set forth in note 52, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Irregular expenditure

9. As disclosed in note 55 to the financial statements, irregular expenditure of R46 612 511 (2017: R33 897 608) was incurred, mainly due to non-compliance with supply chain management (SCM) requirements.

Unauthorised expenditure

10. As disclosed in note 57 to the financial statements, unauthorised expenditure of R146 419 880 (2017: R183 666 884) was incurred due to overspending of the approved budget.

Fruitless and wasteful expenditure

11. As disclosed in note 56 to the financial statements, fruitless and wasteful expenditure of R17 369 164 (2017: R12 811 907) was incurred mainly due to interest on arrear payments to creditors.

Restatement of corresponding figures

12. As disclosed in note 50 to the financial statements, the corresponding figures for 30 June 2017 have been restated as a result of an error in the financial statements of the municipality, and for the year ended, 30 June 2018.

Material losses

13. As disclosed in note 54 to the financial statements, material electricity losses of R60 200 007 (2017: R51 137 515) were incurred, which represents 18,56% (2017: 16,29%) of total electricity purchased. Furthermore, material water losses of R19 717 718 (2017: R7 459 044) were incurred, which represents 30% (2017: 13%) of total water purified. The losses were mainly due to leakages, burst pipes, line losses, tampering and theft.

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Material Impairments

14. As disclosed in notes 6 and 7 to the financial statements, consumer receivables were impaired by R418 346 919 (2017: R334 421 823) and assessment rates receivables were impaired by R18 652 559 (2017: R15 875 630).

Other matters

I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

15. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Unaudited supplementary information

16. The supplementary information set out on page **xx** to **xx** does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Service delivery

17. The audit revealed areas of concern regarding poor planning and monitoring of infrastructure projects. The completion of these projects were often delayed, resulting in the quality of work being compromised while project costs were exceeded. This had a negative impact on the delivery of services as the funds were not always used effectively and efficiently to provide services and to achieve the desired impact of value for money as indicated by the matters below.
18. The municipality embarked on a project to upgrade all pump stations in Kroonstad, Viljoenskroon and Steynsrus. The project cost was R6 742 513. This project was initiated in order to upgrade several potable water pump stations in the municipality, as the existing infrastructure has become ineffective and problematic to maintain. The consulting engineer provided a practical completion certificate on 3 October 2018 which indicated that the pumps had been completed. However, during a site visit on 19 October 2018 it was identified that the pump station at Marais Street in Kroonstad was incomplete as the civil works were not completed and a new pump was not installed despite the project being certified as complete and the total amount quoted in the bill of quantities paid to the contractor. Furthermore, water disruptions originating from breakdowns or the inability of the existing pumps to cope with the demand, may pose a health risk to the community in the area.

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19. The municipality planned an upgrade of the sewer treatment works, pond and filter in the Steynsrus area. Due to a budget shortfall, the municipality decided to reduce the scope of capital work and only do certain of the planned work for R13 156 520. The project commenced in July 2015, the practical completion certificate was issued on 7 July 2016 and the taking over certificate on 28 July 2016. The certificates issued were only for the civil works of the chlorine tank and settling tank. During a site visit on 19 October 2018, it was identified that some of the capital structures were incomplete and cannot be used as intended. Included in the amount of R13 156 520 is an amount of R4 034 434 for standing time which is regarded as fruitless and wasteful expenditure. Although the full amount was paid for the upgrading of the treatment works, it will not be effective in the treatment of sewerage because certain of the required elements were not acquired and therefore will not achieve improved service delivery to the Steynsrus community.
20. During February 2009, the municipality constructed a paved road in the Snake Park residential area. The project was never fully completed due to a lack of funds and the contractor abandoned the project before it was completed. The amount included in the work-in-progress asset register was R6 096 825, which exceeded the contract amount of R4 088 025. When the site was visited on 19 October 2018, it was assessed that some of the completed sections of the paved road were vandalised and some of the block paved bricks were removed by residents as the project was never completed.

Responsibilities of the accounting officer for the financial statements

21. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA standards of GRAP and the requirements of the MFMA and Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
22. In preparing the financial statements, the accounting officer is responsible for assessing the Moqhaka Local Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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Auditor-general's responsibilities for the audit of the financial statements

23. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
24. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

25. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for the selected key performance areas (KPA) presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
26. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
27. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected KPA presented in the annual performance report of the municipality for the year ended 30 June 2018:

KPA	Pages in annual performance report
Basic service delivery	XX - XX

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28. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
29. The material findings in respect of the usefulness and reliability of the selected KPA are as follows:

KPA – Basic service delivery

Number of households without minimum sanitation standards (TL141)

30. The achievement for the target of number of households without minimum sanitation standards reported in the annual performance report was zero. However, the supporting evidence provided did not agree with the reported achievement.

Various indicators

31. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of the indicators listed below. This was due to the unavailability of listings to confirm that the targets were completely reported. The supporting documentation was also not signed to confirm that the reported measurements of actual roads gravelled or patched as indicated on the job cards were actually performed. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the following indicators:

Indicator description	Reported achievement
Km gravel roads maintained and or re-gravelled – TL136	110 km
m ² of potholes patched – TL 137	25 000 km ²
Kms of new paved roads to be built -- TL138	3 km
Kms of storm water drainages built, rehabilitated or replaced in addition to existing one – TL 139	2 km

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Other matters

I draw attention to the matters below.

Achievement of planned targets

32. Refer to the annual performance report on pages XX to XX for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 30 to 31 of this report.

Adjustment of material misstatements

33. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of the KPA - Basic service delivery. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

34. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

35. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

36. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, liabilities, revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

37. The council failed to adopt an oversight report containing the council's comments on the annual report within the prescribed timelines, as required by section 129(1) of the MFMA.

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Expenditure management

- 38. Money owed by the municipality was not always paid within 30 days as required by section 65(2)(e) of the MFMA.
- 39. Reasonable steps were not taken to prevent irregular expenditure amounting to R46 612 511 as disclosed in note 55 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The irregular expenditure was caused by the non-compliance with the SCM regulations mainly in respect of bids not advertised for the required period, deviations which did not meet the requirements and minimum threshold of local content not specified in the tender specifications.
- 40. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R17 369 164, as disclosed in note 56 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The fruitless and wasteful expenditure was caused by interest on arrear payments to creditors.
- 41. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R146 419 880, as disclosed in note 57 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The unauthorised expenditure was caused by overspending of the votes in the approved budget.

Asset management

- 42. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

Consequence management

- 43. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
- 44. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
- 45. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Procurement and contract management

- 46. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c). Similar non-compliance was also reported in the prior year.

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47. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1) and mainly related to grass cutting and hiring of trucks for refuse removal. Similar non-compliance was also reported in the prior year.
48. Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM regulation 22(1) and 22(2). Similar non-compliance was also reported in the prior year.
49. Bid documentation for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).
50. In some instances, sufficient appropriate audit evidence could not be obtained that all extensions or modifications to contracts were approved by a properly delegated official, as required by SCM regulation 5.
51. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.
52. Awards were made to providers who were in the service of other state institutions or whose directors or principal shareholders were in the service of other state institutions, in contravention of section 112(j) of the MFMA and SCM regulation 44.
53. Persons in the service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest in contravention of SCM regulation 46(2)(e) and the code of conduct for staff members issued in terms of the Municipal Systems Act, 2000 (Act No. 32 of 2000).

Other information

54. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected KPA presented in the annual performance report that have been specifically reported in this auditor's report.
55. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

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56. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected KPA presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
57. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

58. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.
59. The leadership did not always take timely and adequate action to address weaknesses in the reporting on financial and performance management due to lack of monitoring and supervision, which again resulted in material adjustments to the financial statements and annual performance report.
60. Management's controls on the reporting of performance information was not sufficient due to inadequate record keeping of supporting documentation relating to the reported targets.
61. The leadership's lack of accountability for sound financial management had a negative impact on the municipality's financial sustainability, overspending of the budget and irregular expenditure not being prevented.
62. Management did not ensure that internal control processes were adequately designed and implemented to ensure cost-effective procurement in certain instances and prevent non-compliance with SCM requirements. Management relied on internal control processes to ensure compliance with procurement requirements, but it is evident from the amount of irregular expenditure that these internal control processes were ineffective and subject to abuse.
63. Consequence management was not effective as the council did not investigate instances of unauthorised, irregular and fruitless and wasteful expenditure to determine whether any person was liable for the expenditure.

Chapter 5

Auditor-General

Bloemfontein

30 November 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Chapter 5

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected KPA and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Moqhaka Local Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Chapter 5

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 2017/18:

The municipality welcome the Audit outcome of the Auditor General-SA for the 2017/18 financial year. The municipality strives to efficiently administer its financial resources, so as to ensure that it renders appropriate services to its local community. The municipality values the audit process and as a result, we ensure that issues raised by the AGSA are timeously attended to and corrected so as to ensure continuous and improved service delivery to the community of Moqhaka Local Municipality. This progress is also evidenced by the year-on-year improvements on the municipality's Audit Outcomes (**2017/18** Unqualified Audit Opinion; **2016/17** Unqualified Audit Opinion; **2015-16**: Unqualified Audit Opinion).

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer) Dated

Glossary

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”.
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce or deliver”. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)

Glossary

Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Baba Jeremiah Mzwandile	PT	Finance, Audit and Risk Management PC, Municipal Infrastructure and Technical Services	ANC	98%	1%
Boeije Hendrina Maria Elizabeth	PT	Community and Social Services PC, IDP Portfolio Committee, Policy Development and Monitoring PC	DA	99%	1%
Bolofo Lerata Daniel	PT	Community and Social Services PC	ANC	100%	0%
Chakane Mpho Samuel	FT		ANC	97%	3%
Dalton Christopher Mark	PT	Municipal Infrastructure and Technical Services, Policy Development and Monitoring PC	DA	99%	1%
Dr. Viljoen Albertina Hendrika	PT	Corporate Support Services PC, Municipal Infrastructure and Technical Services, LED Portfolio Committee	FF+	100%	0%
Geldenhuis Johan	PT	Corporate Support Services PC, Municipal Infrastructure and Technical Services	DA	100%	0%
Green Maria Mmangaka	FT	Policy Development and Monitoring PC, Public Safety and Transport PC	ANC	97%	2%
Hatting Jean	PT	Finance, Audit and Risk Management PC, Municipal Infrastructure and Technical Services	FF+	97%	3%
Khasudi Dennis	PT	Corporate Support Services PC	DA	100%	0%

Appendices

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Khunyeli Molefi Jacob	PT	Municipal Infrastructure and Technical Services, Policy Development and Monitoring PC, Public Safety and Transport PC	EFF	96%	3%
Koloi Motshidise Agnes	FT		ANC	93%	7%
Kukami Khampepe Lysander	FT	Municipal Infrastructure and Technical Services, Spatial Development and Monitoring PC	ANC	97%	2%
Leboko Oupa April	PT	Finance, Audit and Risk Management PC, LED Portfolio Committee	ANC	97%	2%
Lithupa Mpho Joseph	PT	Corporate Support Services PC, IDP Portfolio Committee, Spatial Development and Monitoring PC	DA	100%	0%
Magadla Zenzile Solomon	FT	Community and Social Services PC Corporate Support Services PC IDP Portfolio Committee	ANC	98%	1%
Mahlatsi Mamodise Suzan	PT	IDP Portfolio Committee, LED Portfolio Committee, Policy Development and Monitoring PC	ANC	100%	0%
Mahlatsi Johannes R	PT	Community and Social Services PC, Corporate Support Services PC, Public Safety and Transport PC	DA	99%	1%
Makae Heittie Gregoline	PT	IDP Portfolio Committee, Policy Development and Monitoring PC	ANC	100%	0%
Makhanda Moitheri Lucy	PT	LED Portfolio Committee	EFF	98%	2%
Malejoane Anna	PT	Community and Social Services PC Corporate Support Services PC	EFF	94%	3%
Manefeldt Zacharia Johanna Cornelia	FT	Policy Development and Monitoring , Spatial Development and Monitoring PC	ANC	100%	0%

Appendices

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Marako Thabo Jonas	PT	Municipal Infrastructure and Technical Services PC, Policy Development and Monitoring PC, Spatial Development and Monitoring PC	ANC	100%	0%
Mareka Justice	PT	IDP Portfolio Committee, Public Safety and Transport PC	ANC	95%	2%
Mntuze Mmanako Evodia	PT	Community and Social Services PC	ANC	99%	1%
Mofokeng Toko Abram	PT	Community and Social Services PC, Corporate Support Services PC	ANC	99%	1%
Mokodutlo Nthabiseng Patricia	PT	Finance, Audit and Risk Management PC	ANC	99%	1%
Mokoena Simon	FT	Corporate Support Services PC, Public Safety and Transport PC	ANC	99%	1%
Mokotedi Mpho Victor	PT	Finance, Audit and Risk Management PC, LED Portfolio Committee, Public Safety and Transport PC	ANC	99%	1%
Moletsane Ezekiel Rachere	FT	Finance, Audit and Risk Management PC, Municipal Infrastructure and Technical Services, LED Portfolio Committee	ANC	98%	2%
Morabe Taeli Daniel	PT	Community and Social Services PC, Public Safety and Transport PC	DA	97%	3%
Mpondo Vuyelwa Lydia	FT	Community and Social Services PC, IDP Portfolio Committee	ANC	100%	0%
Nhlapo Mthandeki	PT	Corporate Support Services PC, Spatial Development and Monitoring PC	ANC	99%	1%
Nzunga David Ndaba	PT	Municipal Infrastructure and Technical Services PC, Policy Development and Monitoring PC,	DA	99%	1%
Phooko Pule Jacob	FT		ANC	98%	2%
Pietersen Magdeline	PT	LED Portfolio Committee	ANC	100%	0%

Appendices

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Pittaway Sidney Henrey	PT	Finance, Audit and Risk Management PC, Policy Development and Monitoring PC	DA	99%	1%
Ramathibe Buti Solomon	PT	Municipal Infrastructure and Technical Services	ANC	99%	1%
Ramathibe Mohapi Ephraim	PT	IDP Portfolio Committee, LED Portfolio Committee, Policy Development and Monitoring PC, Spatial Development and Monitoring PC	DA	97%	3%
Rooskrans Brenten	FT	Finance, Audit and Risk Management PC, LED Portfolio Committee	ANC	97%	3%
Serapela Dibetso	PT	Spatial Development and Monitoring PC	EFF	95%	3%
Thajane Mohlaba Israel	PT	Finance, Audit and Risk Management PC, LED Portfolio Committee	COPE	100%	0%
Tladi Selake Benjamin	FT	Corporate Support Services PC, Municipal Infrastructure and Technical Services	ANC	98%	1%
Van Schalkwyk Leah	PT	Finance, Audit and Risk Management PC, LED Portfolio Committee, Public Safety and Transport PC	DA	100%	1%
Yho-yho Mncedisi	PT	Corporate Support Services PC, Public Safety and Transport PC, Spatial Development and Monitoring PC	ANC	95%	0%

Appendices

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Corporate Services Portfolio Committee	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Community and Social Services Portfolio Committee	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Finance, Audit, Risk and Management Portfolio Committee	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
IDP Portfolio Committee	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Local Economic Development and Investments Portfolio Committee	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Municipal Infrastructure and Technical Services Portfolio Committee	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Policy Development and Monitoring Portfolio Committee	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Public Safety and Transport Portfolio Committee	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Spacial Development and Human Settlement Portfolio Committee	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Municipal Public Accounts Committee(MPAC)	Roles and responsibilities as outlined by Section 129 of the MFMA and the National Treasury guidelines issued in MFMA Circular 32 (18 March 2006)
Audit and Performance Audit Committee (s79)	Roles and responsibilities as outlined by Section 166 of the MFMA and the approved charter
T B	

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APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office of the Municipal Manager	Chief Internal Auditor
MUNICIPAL MANAGER	Mr V. Thantsi
Mr. Mncedisi Mqwathi	Manager: IDP
	Mr T Leie
	Manager: PMS
	Ms Eunice Lungu
Financial Services	Manager: Revenue
CHIEF FINANCIAL OFFICER Mr T Marumo	Mr S Theletsane
	Manager: Expenditure
	Mr J Muller
	Manager Budget
	Mrs I Mokheseng
	Manager: SCM
Technical Services	Mr Roy Visagie (Acting)
	Manager: PMU
	Mrs P. Botha
	Manager: Electricity
Corporate services	Mr L. Greef (Acting)
	Assistant Manager: Water and Sanitation
	Mr. B Xaba (Acting)
	Manager: Human Resources
DIRECTOR: Corporate Services Mr. M Mthwalo	Mrs G Ramaboea
	Manager: Information Technology
	Mr K Moroke
	Manager : Administration
Community and Emergency Services	Mr. A. Kotze
	Manager: Solid Waste
	Mr. T. Qena
	Manager Parks, sports and Recreation
	Mrs H de Bruin
	Chief Fire Officer
	Mr L Ingram
	Chief: Traffic Services
	Mrs D. Van der Westhuizen

Appendices

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal Functions	
Municipal Functions	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Storm water management systems in built-up areas	Yes
Trading regulations	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

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Appendices

APPENDIX E – WARD REPORTING

Functionality of Ward Committees

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Cllr Thabo Marako Adoonsie D Mohlakoane Dimakatso B Maloka Dimakatso M Motaung Khathetse Maoke Matsie Eunice Makume Matsietso S Borotho Morapeli J Matsora Motlalepule F Nkaota Ramasimong Mahlatsi	YES	6	5	5
2	Cllr Selake Tladi Busisiwe Khumalo Moeketsi Semakale Seipati Hlongwane Phillip Lipholo Sello Mosala Sibongile Shasha Memmeng Mokoena Pheelo Mthunzi Ntswaki Mahlatsi Tonobel Tumahole	YES	8	4	4
3	Cllr Taeli Morabe Nomasonto Patsa Wilhelmiena Petrus Simon Taje Dikeledi Motsumi Ramatshediso Wilfred Nteleki Elisa Rantie Elizabeth R Vorster Maria Mamokoai Mariti Moses Mokoteli Selloane Joyce Mati	YES	10	4	4
4	Cllr Mntuze Nomathemba Popie Molefe Mawesi Maletse-Mosia	YES	4	4	4

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Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Puseletso Maphokoane Ntswaki Mano Dorothy Maloisane Consy Phiri Ntswaki Bekker Annah Oeso				
5	Cllr Green Mangaka Ditabe Motaung Seipati Mahlatsi Jane Matee Molehali Rabannye Angelina Mpevana Mamoodi Mokaeane Thabo Thabane Johannes Matoa Pappy Lenkwane	YES	1	4	4
6.	Cllr Mokotedi Mpho Disemelo Malejoane Dineo Seekane Nthabiseng Mokoena Nelson Baba Thabo Chabedi Sello Malema Mirriam Maseko Sellwane Mabikinyane Mmemi Malinga Teboho Mabatla	YES	3	5	5
7	Cllr Bolofo Lerata TP Seranyame Maserame Legopo Masabata Matube Sidwell Magwaba Piet Phakoe Seponono Makhale Willemiena Mathige Thabo Mashiya Moswa Semase Samuel Ngozo	YES	11	5	5

Appendices

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
8	Cllr Mahlatsi Suzan Bernard Mnqebisa Maliphatsa Mofolo Kefiloe Moepcoe Moipone Molifi Lerato Khotle Segametsi Mokanyane Mokhele Theletsane Modise Nkone Linthontho Mofokeng Daniel Maseko	YES	8	5	5
9	Cllr Leboko Aupa Puleng Tsolo Thabiso Chakane Makapi Molebatsi Mamokhothu Makoko Mpho Mthimkulu Elizabeth Moloi Victoria Khetsi Esther Mpenga Maise Sempapalele Pulane Wolf	YES	7	6	6
10	Cllr Chakane Mpho Thamsanqa Kabuza Makhotso Sehloho Rebeca Mateba Petrus Mosia Maria Tshezi David Mokebe Moekene Yawa Sarah Bothetsa Manana Mutumi Puseletso Dlhamini	YES	12	6	6
11	Cllr Makae Hiettie Lulama Rahaba Anna Tsekahali Tshokolo Phalatsa Dimakatso Ramoji Nthabiseng Manare Mmami Mahlatsi Dimakatso Ranthimo Johannes Morabe Zepho Xaba Kinosi Leeuw	YES	8	4	4

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Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
12	Cllr Mpondo Lydia Moses Mokoena Selina Lesholi Martha Mthombeni Leeto Masela Sello Legopo Paulina Bulwana Agnes Thooe Moleboheng Khaue S.J Letaba	YES	6	5	5
13	Cllr Rooskrans Brenton Joyce Coetzee Mapaulosi Rankali Jabulile Mashinini Paseka Mvimbi Nora Monare Andile Mthombeni Seipati Sefatsa Manthokoana Makhosana Philip Mogorosi Doris Nkonka	YES	5	4	5
14	Cllr Nhlapo Mthandeki Martha Ntjabane Tsekiso Nala Josephina Sehebeng Boitumelo Hlaole Motheo Morapeli Sechaba Selele Motsamai Mokanyane Ntaoleng Dire Thakane Tonjane	YES	12	5	5
15	Cllr Ramathibe Solomon Machini Mosokwene Violet Modisenyane Jim Mofokeng Godfrey Mehlo Mathato Hlapane Selloane Poolo Meisie Mohlolo Tshepo Kobuoe Mamolelekoa Mofokeng Mohau Malibeng	YES	4	6	6

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Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
16	Clr Boetjie Hendrina Majane Morapeli Ernest Tsolo Valentine Senkhane Gaelebale Mokotedi Molefi Mokalanyaane Rondle Els	YES	2	4	5
17	Clr Geldenhuys Johan Sibongile Cingo M P Liphoko Hester Thibatsane Selina Masisi Thabo Sejake Linda Louwrens David Gullett Elzaan Bester P E Ponase R E Mc Laren	YES	5	4	4
18	Clr Moletsane Rachere Alina Seobi Annah Zenzile Dimakatso Snail Dikeledi Jeanett Motshabi Marupelo Jemmina Letsoara Elias Moremoholo Moeketsi Lesaoana Zwelinzima Buza	YES	2	4	4
19	Clr Mokoena Simon Godwa Mthenjwa Mathanzima Lomo Vuyelwa Sakata Nodoli Guza Dumzela Nondlela Tsietsi Masudubele Rantobo Thekiso Ditsietsi Sehla Teboho Kopane Dorah Mahlatsi	YES	2	4	4
20	Clr Mofokeng Toko John Fundu Mosweu Rapiiso Tshidi Redrie Kwahela Sekonyela	YES	7	4	4

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Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Eunice Lomo Manapo Mhlakoane Puseletso Meso Vuyelwa Folodi Masingwaneng Thokoane				
21	Cllr Magadlela Zenzile Boniswa Maphazi Matumelo Peter Themba Mthimkulu Roseline Tshupane Ishmael Tihakung Thabo Baleni Sonnyboy Hlatshwayo Maditaba Modungwa Florence Madibo	YES	10	4	4
22	Cllr Yhoyho Mncedisi Enock Malashi Sinah Tshofela Zenzele Sixubane Mohlolo Mofokeng Seiso J Gobile Kamla Jackson Roderick	YES	4	3	2
23	Cllr Baba Mafonza Funeka Skhapha Sara Molefi Molebogeng Phakeli Kedibone Gaarekoe Makgala Thekiso Moipone Ntepe Matshidiso Golisi Modiehi Moleleki Matshediso Maphakisa	YES	8	4	4

Appendices

APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in 2017/18 (Full List at Appendix O)				
R' 000				
No.	Project Name and detail	Start Date	End Date	Total Value
1	Installation of sewer for 4000 erven in Rammulotsi (Northleigh)	05-04-2018	In Progress	20 608
2	Gelukwaarts: Construction of 0,395km tarred road and storm water crossing	30-03-2018	In Progress	11 055
3	Upgrading of Loubserpark Sports Facility	07-10-2016	22-11-2017	10 316
4	Water Conservation and Water Demand Management	21-07-2018	30-06-2018	9 928
5	Upgrading of 7 water pump stations in Kroonstad, Viljoenskroon and Steynsrus	06-10-2017	Practical Completion	7 900
6	Upgrading of sewer pump stations in Kroonstad, Viljoenskroon and Steynsrus	03-11-2017	Practical Completion	7 990
7	Refurbishment of the Viljoenskroon Water Treatment Works	17-10-2017	11-12-2017	7 842

Basic Service Provision						
2017/18						
Detail	Water	Sanitation	Electricity	Refuse	Housing	
Households with minimum service delivery	33 585	33 728	29 530	33 147		
Households without minimum service delivery	0	56	4 014	205		
Total Households*	33 585	33 783	33 544	33 582		
Houses completed in year						
Shortfall in Housing units						
*Including informal settlements					T.F.2	

Appendices

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2017/18

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2017/18	Recommendations adopted (enter Yes) If not adopted (provide explanation)
7 September 2017	That a schedule of training including the CPD hours for internal audit should be included in the agenda on the next audit committee meeting.	Yes
	That the summary of the Internal Audit Action Plan should be included in the next audit committee meeting.	Yes
	That the Internal Audit plan be approved by Audit Committee with amendments	Yes
	That the Internal Audit Charter be approved with amendments	Yes
	That on the next review of the Internal Audit Charter, Manager Internal Audit should highlight changes made to the document.	Yes
	That the Internal Audit Methodology be approved.	Yes
	That the Annual Report should include the performance of the service provider.	Yes
	That the Audit Committee note the amended Annual Report.	Yes
	That the amended Draft AFS be noted	Yes
	That on the next meeting there should be a report about the challenges mentioned in the Section 71 Report	Yes
	That the S&T policy should be sent to the members	Yes
	That the members note the Section 71 report.	
	That on a quarterly basis members must receive Report on electricity consumption vs billing per town.	Yes
	That the report be considered and the CFO to provide a summary indicating the cause of each item and it should also include the summary of items that have been investigated.	Yes
	That when the Section 32 Committee sit, it should be a joint committee. One audit committee member should attend the Section 32 Committee.	Section 32 Committee has not sat and Audit Committee was not invited in the Section 32 Committee meetings.
	On a quarterly basis the Chief Risk Officer (CRO) should submit a report on emerging risks. The report should include the top ten risks per department.	Reports from Risk Management have not been submitted to Audit Committee.
	There should be a report from the Risk Management Chairperson.	Reports from Risk Management Chairperson have not been submitted to Audit Committee.
	That the Chief Risk Officer should submit a report on loss control management, security management, business continuity management, assurance and occupational health and safety.	Reports from Chief Risk Officer have not been submitted to Audit Committee.
16 March 2018	Members proposed that a schedule of meetings must be developed and implemented.	Yes
	Members requested the Internal Audit Report be referred back for management to account and serve in the next Audit Committee meeting. The Audit Committee will not report to Council as report were referred.	Yes
	Members resolved that action plan be updated with	Yes

Appendices

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2017/18	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	management team so that it reflects what is discussed today.	
	"The committee resolved that the following components be removed from current audit plan: - Corporate Governance; - Law Enforcement and Traffic; - AG Management Letter Follow-up; - Performance audit; and - Project Management."	Yes
	The committee resolve that performance management must comply with legislations when doing performance assessment;	Performance assessment minutes, results and reports not submitted to Internal Audit and Audit Committee.
	Committee recommended that departments do their part since there is staff shortage in performance management; and	Yes
	Committee resolved that management should indicate the action plan when responding to performance assessment.	Performance assessment minutes, results and reports not submitted to Internal Audit and Audit Committee.
	The committee resolved that the CFO should provide a summary report that indicates the activities that took place, transactions that were subjected to an investigation and the results thereof as well as the matters that need to go to council to be condoned. The report should also reflect which ones require disciplinary process.	Report not submitted to Audit Committee
	The committee will not be presenting their report of the two quarters to council due to the internal audit reports and the action plan been referred back for management to take action.	Yes

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
CMS Water Engineering	Installation of Telemetry, Bulk Water Meter & Repair/Replacement of Valves	17-Nov-17	17-Nov-18	Mr. Xaba	R 9 927 524,24
Linomtha Planthire and Road Construction	Upgrading of Sewer Pump Stations in Kroonstad, Steynsrus and Viljoenskroon.	26-Oct-17	26-Jul-18	Mr. Xaba	R 7 927 654,00
CMS Water Engineering	Refurbishment of Viljoenskroon WTW	10-Oct-17	10-Oct-18	Mr. Xaba	R 7 841 512,80
Tetshabelo Trading 647 (PTY) Ltd JV AMAMP CC	Upgrading of Water Pumpstations in Kroonstad, Steynsrus and Viljoenskroon.	26-Sep-17	26-Jun-18	Mr. Xaba	R 6 742 512,57
Marce Projects (PTY) Ltd	Supply of a Major Pump Unit for the Fire Brigade Devision.	15-Feb-18	15-Feb-21	Mr. I Lurock	R 4 321 156,89
Linomtha Planthire and Road Construction	Installation of Metered Water Connection in Maokeng, Kroonstad.	25-Jun-18	25-Mar-19	Mr. Xaba	R 2 499 626,25
RJJ Project Management	Installation of Seven (7) Highmast Lights in Moqhaka Local Municipality.	23-May-18	23-Nov-18	Mr. Greeff	R 2 147 220,37
Lateral Unison Insurance Brokers (PTY) Ltd	Short Term Insurance for a Period of Three (3) Years.	31-Oct-17	30-Nov-20	Ms. I Mokheseng	R 2 050 692,00
RJJ Project Management	Refurbishment of MV & LV Overhead Lines in Seisoiville and Phomolong Phase 1,	16-Nov-17	16-May-18	Mr. Greeff	R 1 921 459,06
Sebatsi (PTY) Ltd	Request for Proposal: Supply and Deliver a Truck and Mobile Elevating Working Platform.	28-Aug-17	2017/010/27	Ms. De Bruin	R 1 714 800,00
Black Bird Trading 230 CC	Supply & Delivery of Laptops and Desktops	30-Jan-18	Once off	Mr. K Moroke	R 980 567,35
Rodecon Engineering CC	Assess, Prepare the Technical Report with Findings & Repair or Replace some Faulty Mechanical & Electrical Components at Viljoenskroon WWTW.	23-Mar-18	23-Sep-18	Mr. Xaba	R 846 073,80
Tshebedisano Construction and Trading CC	Fencing of Steynsrus and Matlwangtlwang Municipality Premises.	26-Oct-17	26-Dec-17	Mr. Garegae	R 522 773,20
Why We Wait Trading and Projects	Supply and Delivery of Catering Equipment for Loubserpark.	28-Aug-17	03-Nov-17	Ms. De Bruin	R 284 694,25
IVM Chemicals (PTY) Ltd	Supply and Delivery of Weed-Killer.	28-Aug-17	13-Sep-17	Ms. De Bruin	R 205 763,00
T H.1					

Public Private Partnerships Entered into during 2017/18					
					R' 000
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	Value 2017/18
None entered into.					
T H.2					

Appendices

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

The municipality does not have a municipal entity.

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APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of 2017/18 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor		
Member of MayCo / Exco		None
Councillors		None
Municipal Manager		None
Chief Financial Officer		None
Deputy MM and (Executive) Directors		N/A
Other S57 Officials		
Director Community and Social Services		Municipal Electoral Officer (IEC)

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Appendices

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote							
Vote Description	2014/15 Actual	2015/16 Actual	Current: 2017/18		Actual	R' 000 2017/18 Variance	
			Original Budget	Adjusted Budget		Original Budget	Adjustments Budget
Councilors - Vote 1	229 691	250 049	131 437	84 376	234 802	-79%	36%
Municipal Manager - Vote 2	-	-	-	-	-	0%	0%
Corporate Services - Vote 3	3 734	5 095	919	901	374	59%	2%
Finance Services - Vote 4	59 600	72 828	85 232	74 152	76 072	11%	13%
Technical Services - Vote 5	350 531	362 294	463 974	529 478	385 101	17%	-14%
Community Services - Vote 6	25 380	30 036	45 921	42 290	2 204	95%	8%
Total Revenue by Vote	668 936	720 302	727 483	731 197	698 553	-4.14%	-4.67%

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APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							R '000
Description	2014/15 Actual	2014/16 Actual	Original Budget	2017/18 Adjustments Budget	Actual	2017/18 Variance Original Budget	Adjustments Budget
Property rates	58 228	61 278	65 709	67 069	66 222	1%	-1%
Property rates - penalties & collection charges	-	-	-	-	-	0%	0%
Service Charges - electricity revenue	231 832	54 400	309 952	305 759	263 459	-18%	-16%
Service Charges - water revenue	83 251	83 525	95 884	96 247	85 502	-12%	-13%
Service Charges - sanitation revenue	25 833	27 555	30 210	44 028	42 398	29%	-4%
Service Charges - refuse revenue	17 142	22 179	27 801	28 988	28 498	2%	-2%
Service Charges - other	-	-	-	-	-	0%	0%
Rentals of facilities and equipment	3 749	6 006	7 643	5 467	7 592	-1%	28%
Interest earned - external investments	-	-	1 122	872	1 197	6%	27%
Interest earned - outstanding debtors	8 256	15 543	16 112	16 112	19 595	18%	18%
Dividends received	-	-	-	-	-	0%	0%
Fines	1 045	872	1 319	2 792	643	-105%	-334%
Licenses and permits	-	-	-	-	-	0%	0%
Agency services	-	-	-	-	-	0%	0%
Transfers recognized - operational	166 989	63 054	60 968	160 968	160 968	0%	0%
Other revenue	6 353	10 349	12 714	10 502	11 021	-15%	5%
Gains on disposal of PPE	-	-	-	-	-	0%	0%
Environmental Protection	-	-	-	-	-	0%	0%
Total Revenue (excluding capital transfers and contributions)	602 678	644 761	729 434	738 804	687 095	-6.16%	-7.53%

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APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG R' 000						Major conditions applied by donor (continue below if necessary)
Details	Budget	Adjustments Budget	Actual	Variance Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant						
Public Transport Infrastructure and Systems Grant						
EPWP	1000	1000	1000	0%	0%	Not to fund the costs of permanent municipal personnel. A maximum of 5% of the grant can be used to fund contract based capacity. A receiving officer may not transfer any schedule 5/5b allocation or any part thereof to any entity or other sphere of government for the performance of a function envisaged in terms of the allocation
<i>Other Specify:</i>						
FMG	1810	1810	1810	0%	0%	Strengthen capacity and upskill officials in the BTO, internal audit & audit committees. At least five interns appointed over a multi-year period. Acquisition, upgrade and maintenance of financial management systems. Support training of municipal financial management officials. Support the preparation and timely submission of annual financial statement for audits
INEP	7000	7000	7000	0%	0%	Adhere to labour intensive construction methods in terms of the EPWP guidelines for activities such as trenching, planting of poles, etc. Register electrification master plans for bulk infrastructure with INEP and abide by the advice or guidance of the Department of Energy regarding the central planning and co-ordination for such bulk infrastructure. Use INEP funds for the refurbishment of critical infrastructure, only upon submission of a project plan which must be approved by DOE.
RBIG	40000	2839	2839	92%	0%	The grant is intended to fund the social component of regional bulk water and waste water projects approved by DWS. RBIG payments will be made to DWS's contracted implementing agents based on invoices for work done. A transfer plan must be developed and agreed to prior the commencement of any new projects.
Total	49 810	12 649	12 649	-294%	0%	

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

The municipality did not receive any conditional grants.

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APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Program*							R '000
Description	2015/16		2017/18		Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	-	-	-	-	-	-	-
Infrastructure: Road transport - Total	-	-	-	-	-	-	-
Roads, Pavements & Bridges							
Storm water							
Infrastructure: Electricity - Total	-	-	-	-	-	-	-
Generation							
Transmission & Reticulation							
Street Lighting							
Infrastructure: Water - Total	-	-	-	-	-	-	-
Dams & Reservoirs							
Water purification							
Reticulation							
Infrastructure: Sanitation - Total	-	-	-	-	-	-	-
Reticulation						-	-
Sewerage purification							
Infrastructure: Other - Total	-	-	-	-	-	-	-
Waste Management							
Other							
Community - Total	3 900	6 123	6 123	1 312	-	-	-
Parks & gardens					-	-	-
Sports fields & stadia	3 900	741	741	213			
Swimming pools							
Community halls							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other	-	5 382	5 382	1 099	-	-	-

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Capital Expenditure - New Assets Program R '000							
Description	2015/16		2017/18		Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
<u>Heritage assets - Total</u>	-	-	-	-	-	-	-
Buildings							
Other							
<u>Investment properties - Total</u>	-	-	-	-	-	-	-
Housing development							
Other							
<u>Other assets</u>	9 150	3 331	3 331	2 236	9 313	-	-
General vehicles	9 150	-	-	-	3 032	-	-
Specialised vehicles					3 006		
Plant & equipment					750		
Computers - hardware/equipment					940		
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other	-	3 331	3 331	2 236	1 585	-	-
<u>Agricultural assets</u>	-	-		-	-	-	-
List sub-class							
<u>Biological assets</u>	-	-		-	-	-	-
List sub-class							
<u>Intangibles</u>	-	-		-	-	-	-
Computers - software & programming							
Other (list sub-class)							
Total Capital Expenditure on new assets	13 050	9 454	9 454	3 548	9 313	-	-
<u>Specialised vehicles</u>	-	-	-	-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

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APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Program					R '000		
Description	2015/16		2017/18		Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
<u>Investment properties</u>	-	-	-	-	-	-	-
Housing development							
Other							
<u>Other assets</u>	-	-	-	-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
<u>Agricultural assets</u>	-	-	-	-	-	-	-
List sub-class							
<u>Biological assets</u>	-	-	-	-	-	-	-
List sub-class							
<u>Intangibles</u>	-	-	-	-	-	-	-
Computers - software & programming							
Other (list sub-class)							
Total Capital Expenditure on renewal of existing assets	98 306	93 233	62 639	47 880	64 840	58 061	69 406
<u>Specialised vehicles</u>	-	-	-	-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

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APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2017/18

Capital Programme by Project: 2017/18					
					R' 000
Capital Project	Original Budget	Adjust ment Budget	Actual	Varian ce (Act - Adj) %	Variance (Act - OB) %
Water					
Moqhaka: Fencing Water Pumpstations and Treatment Works 2.62km - Phase 1	3 274		3 274	0%	0%
Maokeng: Installation of Water Meters	18 624		18 624	0%	0%
Upgrading of 7 water pump stations in Kroonstad, Viljoenskroon and Steynsrus	7 899 970		7 899 970	0%	0%
Refurbishment of Viljoenskroon Water Treatment Works	7 841 513		7 841 513	0%	0%
Water Conservation and Water Demand Management	9 927 524		9 927 524	0%	0%
Sanitation/Sewerage					
Moqhaka: Installation of sewer for 4000 new erven in Rammulotsi (northleigh)	8 230 087		8 230 087	0%	0%
Moqhaka: Fencing Sewer Pumpstations and Treatment Works 1.4km - Phase 1	98 456		98 456	0%	0%
Moqhaka: Upgrading of sewer pump stations in various towns	7 990 970		7 990 970	0%	0%
Electricity					
Maokeng: Installation of 5 High Mast Lights	1 434 134		1 434 134	0%	0%
Rammulotsi: Installation of 2 high mast lights	562 140		562 140	0%	0%
Upgrading and Refurbishment of the Seisoville/Phomolong Network	2 401 824		2 401 824	0%	0%
Construction of 66kv overhead ring main feed line: Phase 2	2 598 176		2 598 176	0%	0%
Roads					
Moqhaka: Matlwangtlwang: Upgrading of Internal road and providing of stromwate system	1 824 891		1 824 891	0%	0%
Moqhaka: Stilfontein Cemetery: Palisade Fencing and Roads	2 124 525		2 124 525	0%	0%

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Capital Programme by Project: 2017/18					
Capital Project	Original Budget	Adjust ment Budget	Actual	Variance (Act - Adj) %	R' 000
					Variance (Act - OB) %
Maokeng - Upgrading of Storm Water System and Channelling of Vlei Areas (Phase 1)	2 520 326		2 520 326	0%	0%
Brentpark: Construction of 0.96km paved road and storm water channel to Brentpark Stadium	550 830		550 830	0%	0%
Gelukwaarts: Construction of 0,395km tarred road and stormwater crossing	9 476 886		9 476 886	0%	0%
Matlwangtlwang: Construction of 0.62km brick Paved road with V-Channels storm water drainage (1800-1722)	389 379		389 379	0%	0%
Seisoville: Construction of 0.750km paved road and storm water drainage at Ntanga street	608 021		608 021	0%	0%
Maintenance of service lanes, treatment plants and pump stations in Moqhaka LM	500		500	0%	0%
Cemetries					
Cleaning and Greening in Moqhaka LM	250 000		250 000	0%	0%
Solid Waste					
Rammulotsi: Development and fencing of new landfill site - phase 2	967 723		967 723	0%	0%
Cleaning and Greening in Moqhaka LM	250 000		250 000	0%	0%
Sports, Arts & Culture					
Upgrading of Loubserpark Sports Facility Phase 2	4 536 266		4 536 266	0%	0%
<i>T N</i>					

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APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2017/18

R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Moqhaka: Installation of sewer for 4000 new erven in Rammulotsi (northleigh)	21	No
Moqhaka: Matlwangtlwang: Upgrading of Internal road and providing of stormwater system	1	Yes
Moqhaka: Stilfontein Cemetery: Palisade Fencing and Roads	10	Yes
Maokeng - Upgrading of Storm Water System and Channelling of Vlei Areas (Phase 1)	13	Yes
Rammulotsi: Development and fencing of new landfill site - phase 2 (MIS:215370)	21	No
Upgrading of Loubserpark Sports Facility Phase 2	16	Yes
Moqhaka: Fencing Sewer Pumpstations and Treatment Works 1.4km - Phase 1	1-23	Yes
Moqhaka: Fencing Water Pumpstations and Treatment Works 2.62km - Phase 1	1-23	Yes
Maokeng/Nyakallong: Upgrading of Community and Sports Facility (MIS:249771)	18	No
Maokeng: Installation of Water Meters	8	No
Upgrading of 7 water pump stations in Kroonstad, Viljoenskroon and Steynsrus	1-23	Yes
Moqhaka: Upgrading of sewer pump stations in various towns (MIS:247802)	1-23	Yes
Brentpark: Construction of 0.96km paved road and storm water channel to Brentpark Stadium (MIS:269933)	13	No
Maokeng: Installation of 5 High Mast Lights (MIS:269906)	3,4,5,6	No
Rammulotsi: Installation of 2 high mast lights (MIS:269892)	21-22	No
Gelukwaarts: Construction of 0,395km tarred road and stormwater crossing (MIS:270279)	8,10,12-14	No
Matlwangtlwang: Construction of 0.62km brick Paved road with V-Channels storm water drainage (1800-1722)(MIS:270047)	2	No
Seisoville: Construction of 0.750km paved road and storm water drainage at Ntanga street (MIS:272675)	15	No
Refurbishment of Viljoenskroon Water Treatment Works	21	Yes
Water Conservation and Water Demand Management	All	Yes
Upgrading and Refurbishment of the Seisoville/Phomolong Network	15	Yes
Construction of 66kv overhead ring main feed line: Phase 2	All	Yes

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APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
None that the municipality is aware of.				
Clinics (NAMES, LOCATIONS)				
None that the municipality is aware of.				

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APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:	None that the municipality is aware of.	
Housing:		
Licensing and Testing Centre:		
Reservoirs		
Schools (Primary and High):		
Sports Fields:		
T Q		

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APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: 2017/18				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2017/18 R' 000	Total Amount committed over previous and future years
No grants or loans were made.				
* Loans/Grants - whether in cash or in kind				TR

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